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The

CREDIT WORLD

The Official Organ of the NATIONAL RETAIL CREDIT ASSOCIATION



Your Competitor

Your competitor is not necessarily your enemy. He can be your friend.

Don't shy from your competitor. Don't assume he's your foe. Get acquainted with him. You may learn something.

Beat your competitor if you can, but remember the surest way to beat him is to sell better goods, to use fairer methods, and to be more courteous.

Don't play the cut-price game with him. Keep your margin of profit fair. Cutting prices is cutting the throat of success.

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DR. FRANK CRANE.

VOL. XVI—No. 610



JUNE 1928

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. . . Revive Inactive Accounts?

. . . Develop New Charge Accounts?

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- 3 Copy for **six new collection letters** every three months. These are written to fit various needs and written from a new slant—an outside viewpoint.
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National Retail Credit Association

Equitable Bldg

Saint Louis



Lamson Guards *the things that are yours*

*One System That Controls Cash . . . Checks
Credit . . . And Speeds Special Tasks*

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ISSUED
MONTHLY



THE
CREDIT WORLD

OFFICIAL MAGAZINE

OF THE

NATIONAL RETAIL CREDIT ASSOCIATION

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Equitable Bldg.

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St. Louis, Mo.

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PUBLISHED MONTHLY AT 1017 MORGAN ST., ST. LOUIS, MO.

BY

GENERAL PUBLISHING COMPANY

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THOROUGHNESS

One of the worst faults of a Credit Manager is a lack of thoroughness. We find many men and women who possess the mentality and education which should bring great success, but who fail to advance as they deserve, or achieve the results of others, because of carelessness in those things which are so vital in making a success of Credit Work.

- The securing of complete information in taking an application.
 - The most careful analysis of the application.
 - The most painstaking and thorough investigation before the account is opened.
 - The most accurate and persistent follow-up after the account is opened, both as regards collections and the promotion of continuous buying.
 - Careful, courteous, well written letters.
 - Simple, rapid and accurate filing system.
 - Correct and Error-proof bookkeeping.
 - Promptness in sending out bills.
 - Reading trade journals, study of business conditions.
 - Attendance at Credit Association meetings.
 - Developing personality.
- It will pay all members of the credit profession to develop in their individual lines a thoroughness which will reflect itself in every thing they do.

THE CREDIT SURVEY

The survey of Retail Credit conditions, under the supervision of the United States Department of Foreign and Domestic Commerce got under way June 1.

This work is being done at the suggestion of the National Retail Credit Association, and we urge each member to promptly and completely answer the government questionnaire when received, so as to demonstrate our full cooperation with the Department of Commerce.

Annual Report of Leop. L. Meyer, President

IN ACCORDANCE with what has been considered, heretofore, as customary procedure, your President submits herewith for approval the report of the administration's operations for the current year. If there be lacking herein statistical and detailed information it is because of the understanding that in your Manager-Treasurer's Report all such facts and data shall be presented. Whether or not the administration has been a success and whether or not your President has qualified for office and fulfilled the obligations of his assignment are matters subject to your individual conclusions. However, your President feels especially qualified for commenting upon the character of the services and accomplishments of the others who have been active during the administration, and reserves for himself the right and privilege of complimenting or criticizing the manner in which the various activities of the administration were directed; and without any priority of importance, reference will be made to the major activities in order as they were undertaken during the year.

Some years ago, your Association saw fit to inaugurate "Pay-Your-Bills-Promptly Week" and more or less successfully conducted several campaigns in which the membership of your Association cooperated sufficiently actively to justify a publicity campaign again this year. The task of conducting this Campaign was assigned to a committee of which Mr. Milton J. Solon, Second Vice-President, National Retail Credit Association, Credit Manager of The Dayton Company, Minneapolis, Minnesota, was appointed Chairman. It was Mr. Solon's idea that the Association should abandon its previously adopted plan of conducting a campaign for a period of one week, feeling that a more permanent good would be effected if the idea of conducting all-year-round publicity were sold to the membership. In line therewith, Mr. Solon and his Committee prepared what came to be known as the "Ad Folio," in which, in a very handsome form, ads of various sizes and of varying contexts were reproduced, sufficient in number for the conduct of a six-months publicity campaign in any city or community, regardless of size. Mats of each and every ad were offered at a minimum cost and were held by the Publicity Committee subject to immediate delivery upon receipt of order. The ads themselves were unquestionably the most excellent ever presented to the merchants of this country, as applying to this character of advertising. The Ad Folio will always remain an evidence of untiring efforts on the part of Mr. Solon and his Committee and is a brilliant reflec-



LEOP. L. MEYER

tion upon the intelligence of your Committee Chairman. In the management of this campaign Mr. Solon displayed a keen insight into the requirements of the Local Associations, and it is my personal opinion that the best that can be done in the future will be to continue to adopt Mr. Solon's plan, with full assurances that eventually every representative credit community in America will come to learn the advantages of employing such publicity. Mr. Solon

can not be praised too highly for the work he has done and for the consistent cooperation accorded by him in any and every matter in which his advice and counsel were sought.

Immediately following the presentation of the Ad Folio, the Committee on Credit Department Statistics began to function under the Chairmanship of Mr. Elmer B. Schick, Credit Manager of The Crowley-Milner Company, Detroit, Michigan. Mr. Schick succeeded in enlisting the services of the Bureau of Business Research of the School of Business Administration of the University of Michigan, under the supervision of Professor E. N. Schmalz, in conducting a statistical survey in cooperation with the National Retail Credit Association, and as a result of this arrangement a questionnaire, in which was incorporated inquiries concerning the more vital credit department statistics, was broadcast throughout the United States, and the returns therefrom have been embodied in the Research Report, in pamphlet form, which is ready for distribution at this Convention.

For a number of years the credit manager has groped blindly for substantial statistics, as applying to his particular department of business, but at no time have such statistics been available. In supplying these statistics, the National Association has rendered one of the greatest services performed since its inception, and no end of praise should be given to that most sincere and diligent worker, Mr. Schick, and to that excellent gentleman, Professor E. N. Schmalz, for this magnificent accomplishment. To these men we shall always owe a debt of gratitude, for upon the foundation which they have laid even more perfect statistical reports, in the future, will be built up by your great Association.

Immediately following the distribution of the University of Michigan Questionnaire, the Special Educational Committee, under the chairmanship of Mr. Justin H. Edgerton, Credit Manager, James McCreery & Company, New York City, began activity. The Educational Committee prepared and distributed to the

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Annual Report of Leop. L. Meyer, President

(Continued from page 4)

Local Associations throughout the country a complete Course in Retail Credits, comprising sixteen lessons, in syllabus form, most comprehensive in context and embodying almost every character of question involving credit department conduct and procedure. Mr. Edgerton worked faithfully at his task, and it is solely to his indefatigable efforts that presentation of this wonderful Course was made possible. The Course reflects the fact that Mr. Edgerton is an exceptionally assiduous student of applied credits and that his days and nights for many months were consecrated to the task of preparing for presentation to the credit men of this country, for the first time since the beginning of business, a complete Educational Course in Retail Credits. Credit classes have sprung up throughout the United States, and genuine pride is taken in reporting the attendance of one hundred twenty-five credit grantors at the opening meeting of the credit class in the City of Houston. Mr. Edgerton through this accomplishment has established himself as an important factor in the credit fabric of our National Association, and if this administration can boast of any worth while attainment it is that to which I have made reference; for, with the general recognition of increased importance of the Credit Department to the business as a whole, some force or factor has been necessary for the standardization of credit department education and procedure.

During the entire period of the administration another committee under the chairmanship of Mr. James R. Hewitt, First Vice-President, National Retail Credit Association, and Credit Manager, The Hub, Baltimore, Maryland, was busily occupied negotiating with the Department of Commerce of the United States Government, in connection with a Retail Credit Survey, and it is happily reported that this Committee's efforts were crowned with success. In appreciation of the fact that within the last several years there has been a veritable revolution in retail credits, it was deemed wise to attempt to influence the Government into making a survey covering the entire United States, in order to determine to what proportions certain forms of retail credit had enlarged; to ascertain, as far as possible, what particular element of credit buyers was most deeply involved; and to establish some ratio indicative of the relative indebtedness of the average American charge buyer, according to classification of risk. As a result of statistics gathered by the Department of Commerce it is hoped that the Department itself may make recommendations for the future conduct of credit-selling.

The accomplishment of Mr. Hewitt's Committee is unquestionably of greater moment than has as yet been realized; and in this connection let me remind you that the success of the Committee was possible

only because of the paternal interest in our Association's affairs, exercised by those most excellent gentlemen, Dr. Julius Klein, Director, Bureau of Foreign and Domestic Commerce; Dr. Frank M. Surface, Assistant Director in Charge of Domestic Commerce, and by their assistants in the Department of Commerce; and as a result of the magnanimous disposition of our great Secretary of Commerce of the United States, the Hon. Herbert C. Hoover. These men have earned the everlasting gratitude of our membership at large, and in acknowledgment of the consideration accorded us the cooperation of the entire membership of the National Retail Credit Association has been pledged to the Department of Commerce, to the end of making the Survey an unqualified success. Incidentally, questionnaires have been prepared, and have actually been distributed in the City of Baltimore. And in rendering praise to these gentlemen, let us not for a moment fail to acknowledge the service rendered by Mr. Hewitt and his associates, who left no stone unturned in pleading our cause. Mr. Hewitt, especially, resorted to almost impossible means in keeping our proposition actively before the Department of Commerce. Correspondence between your President and the Department of Commerce has evidenced the fact that the sincerity of purpose which dominated the activity of Mr. Hewitt and his committee has created a very kindly regard and hearty respect for the National Association, in the minds of the Department of Commerce officials.

The last of the major activities of the Association was the spring membership campaign and as this campaign was directed by your President no especial comment will be made, other than that the campaign, in final sum-up, fell very far below anticipated returns and was, perhaps, the least successful undertaking of the administration as far as net, tangible results were concerned. Whether this was attributable to faulty campaign management or not, is left subject to your own decision. However, especially favorable reference is made to the fine accomplishment of Mr. Leo M. Karpeles, Chairman of the fall membership drive. Mr. Karpeles was handicapped seriously as a result of the season of the year in which his campaign was undertaken, but none the less, by diligent effort, succeeded in adding approximately five hundred members to our roster. It may, also, be mentioned that for a very sound and substantial reason, of a personal nature, Mr. Karpeles asked to be relieved of the chairmanship of the spring campaign, and it is to be regretted that the Association was deprived of his able guidance in the latter membership undertaking. Membership work, generally, is the least attractive of committee activities, in consideration of which fact the hope is

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Annual Report of D. J. Woodlock Manager-Treasurer

To the Officers, Directors and Members
of the National Retail Credit Association:

We submit herewith report of progress and activities of your Association for fiscal year ending April 30, 1928.

In analyzing the figures of our membership and financial statements, it must be borne in mind that because of the change in the date of holding our Conventions, this fiscal year covered a period of only ten months.

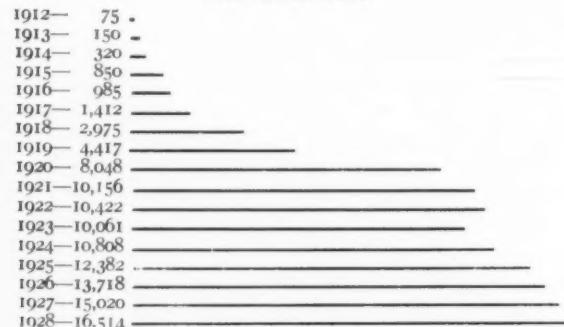
Membership.

On June 30, 1927, our membership was 15,020. During the ten months we enrolled 4,023 new members, and cancelled 2,529, making our membership on April 30, 1928, 16,514, a gain of 1,494. An excellent showing, when we consider that last year, covering a



D. J. WOODLOCK

CHART SHOWING MEMBERSHIP INCREASE SINCE ORGANIZATION



MEMBERSHIP BY STATES

States	June 30, 1927	New	Can- celled	April 30, 1928	Gain	Loss
Alabama	195	63	52	206	11	0
Alaska	1	0	0	1	0	0
Arizona	34	22	4	52	18	0
Arkansas	132	92	22	202	70	0
Australia	1	0	1	0	0	1
California	682	176	110	748	66	0
Canada and England	44	80	3	121	77	0
Colorado	544	127	21	650	106	0
Connecticut	273	26	10	289	16	0
Delaware	74	0	3	71	0	3
Washington, D. C.	376	79	61	394	18	0
Florida	107	80	33	154	47	0
Georgia	114	23	9	128	14	0
Germany	2	1	1	2	0	0
Hawaii	2	1	0	3	1	0
Idaho	36	4	6	34	0	2
Illinois	341	99	51	389	48	0
Indiana	296	15	32	279	0	17
Iowa	785	38	200	623	0	162

twelve month period, our gain was only 1,302. Our membership cancellation last year was 2,780, while this year it was 2,529. This loss is due to local conditions over which we have no control, and one-half of this year's cancellations came from five Local Associations.

In our membership figures we include 1,541 new members secured as a result of an intensive membership campaign conducted by President Leopold L. Meyer, during the first two weeks of May. This was the most elaborate and carefully planned campaign we have ever had, and meant the giving of practically a month of his personal time and the burning of midnight oil by President Meyer, as he wrote the entire copy and mailed every letter from his office in Houston, Texas.

States	June 30, 1927	New		Cancelled	April 30, 1928		Gain	Loss
		1927	1928		1928	1927		
Kansas	308	178	61	425	117	0	0	0
Kentucky	133	23	10	146	13	0	0	0
Louisiana	102	391	164	329	227	0	0	0
Maine	25	11	0	36	11	0	0	0
Maryland	247	14	36	225	0	0	22	0
Massachusetts	342	12	18	336	0	0	6	0
Michigan	374	17	76	315	0	0	59	0
Minnesota	497	52	71	478	0	0	19	0
Mississippi	37	4	6	35	0	0	2	0
Missouri	1,649	477	139	1,987	63	0	0	0
Montana	91	15	5	101	10	0	0	0
Nebraska	569	10	266	313	0	0	256	0
Nevada	4	0	0	4	0	0	0	0
New Hampshire	5	0	1	4	0	0	1	0
New Jersey	124	33	15	142	18	0	0	0
New Mexico	10	2	0	12	2	0	0	0
New York	889	211	66	1,034	145	0	0	0
North Carolina	40	20	5	55	15	0	0	0
North Dakota	21	17	1	37	16	0	0	0
Ohio	1,249	183	223	1,209	0	40	0	0
Oklahoma	427	136	28	535	118	0	0	0
Oregon	269	138	47	360	91	0	0	0
Pennsylvania	945	329	399	875	0	70	0	0
Porto Rico	1	0	0	1	0	0	0	0
Rhode Island	99	13	1	111	12	0	0	0
Russia	1	0	1	0	0	0	0	1
South Carolina	7	0	1	6	0	0	1	0
South Dakota	19	0	5	14	0	0	5	0
Tennessee	684	239	100	823	139	0	0	0
Texas	891	240	86	1,045	154	0	0	0
Utah	44	1	5	40	0	4	0	0
Vermont	2	0	0	2	0	0	0	0
Virginia	72	2	17	57	0	0	15	0
Washington	404	65	26	443	39	0	0	0
West Virginia	73	19	7	85	12	0	0	0
Wisconsin	300	234	22	512	212	0	0	0
Wyoming	27	11	2	36	9	0	0	0
	15,020	4,023	2,529	16,514				

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Annual Report of D. J. Woodlock, Manager-Treasurer

(Continued from page 6)

FIVE LEADING STATES

Missouri	1,987
Ohio	1,209
Texas	1,045
New York	1,034
Pennsylvania	875

The above states were the leaders last year. But Texas has advanced from fourth to third place and New York from fifth to fourth place, while Pennsylvania dropped to fifth place. Missouri has held the lead for the past ten years.

FOLLOWING GIVES MEMBERSHIP IN CITIES WHERE WE HAVE TEN OR MORE MEMBERS

	June 30, 1927	New	Can- celled	April 30, 1928	Gain	Loss
ALABAMA						
Bessemer	33	0	16	17	0	16
Birmingham	100	47	16	131	31	0
Mobile	23	0	19	4	0	19
Montgomery	23	6	1	28	5	0
*Tuscaloosa	4	10	0	14	10	0
ARIZONA						
Tucson	20	6	0	26	6	0
ARKANSAS						
EJ Dorado	19	17	2	34	15	0
Fort Smith	17	4	2	19	2	0
Little Rock	57	71	11	117	60	0
Pine Bluff	10	0	0	10	0	0
CALIFORNIA						
Bakersfield	12	0	0	12	0	0
El Centro	59	1	14	46	0	13
Eureka	24	5	0	29	5	0
Los Angeles	246	45	40	251	5	0
Oakland	44	24	10	58	14	0
San Diego	19	0	5	14	0	5
San Francisco	124	31	32	123	0	1
San Jose	17	7	0	24	7	0
CANADA						
*Toronto	1	51	0	52	51	0
Windsor	17	4	0	21	4	0
*Sault Ste. Marie	0	18	0	18	18	0
COLORADO						
Alamosa	15	0	1	14	0	1
*Canon City	1	19	0	20	19	0
Denver	180	44	7	217	37	0
Greeley	19	0	1	18	0	1
Monte Vista	21	2	0	23	2	0
Pueblo	43	8	3	48	5	0
*Salida	1	19	0	20	19	0
CONNECTICUT						
Hartford	120	15	0	135	15	0
New Britain	49	2	33	18	0	31
New Haven	37	1	5	33	0	4
Norwich	18	0	8	10	0	8
Waterbury	45	22	2	65	20	0
DELAWARE						
Wilmington	69	0	3	67	0	2
DISTRICT OF COLUMBIA						
Washington	376	79	61	394	18	0
FLORIDA						
*Miami	9	27	1	35	26	0
*Orlando	5	12	0	17	12	0
*St. Petersburg	1	23	0	24	23	0
Tampa	47	4	22	29	0	18
*Winter Haven	2	9	0	11	9	0
GEORGIA						
Atlanta	78	23	7	94	16	0
Columbus	22	0	1	21	0	1

	June 30, 1927	New	Can- celled	April 30, 1928	Gain	Loss
ILLINOIS						
Chicago	69	23	4	88	19	0
Decatur	19	0	4	15	0	4
Freeport	18	0	5	13	0	5
Joliet	22	1	2	21	0	1
Peoria	17	0	0	17	0	0
Springfield	50	1	10	41	0	9
*Waukegan	0	70	5	65	65	0
INDIANA						
Fort Wayne	20	1	6	15	0	5
Indianapolis	33	0	6	27	0	6
Muncie	46	0	0	46	0	0
South Bend	88	13	13	88	0	0
IOWA						
Cedar Rapids	18	0	6	12	0	6
Clinton	28	0	13	15	0	13
Davenport	84	16	4	90	12	0
Des Moines	330	20	0	350	20	0
Sioux City	272	1	177	96	0	176
KANSAS						
*Abilene	1	10	0	11	10	0
*Arkansas City	5	7	0	12	7	0
*Hutchinson	2	13	0	15	13	0
*Pittsburg	1	10	0	11	10	0
Topeka	17	53	10	60	43	0
Wichita	184	78	36	226	42	0
KENTUCKY						
Lexington	16	3	2	17	1	0
Louisville	102	20	7	115	13	0
LOUISIANA						
Baton Rouge	42	0	3	39	0	3
New Orleans	158	334	158	334	176	0
Opelousas						
Shreveport	26	2	3	25	0	1
MAINE						
Portland	23	1	0	24	1	0
MARYLAND						
Baltimore	220	8	28	200	0	20
Cumberland	44	2	0	46	2	0
MASSACHUSETTS						
Boston	141	0	0	141	0	0
Springfield	123	11	13	121	0	2
*Worcester	23	1	0	24	1	0
MICHIGAN						
Battle Creek	11	0	1	10	0	1
Detroit	187	9	41	155	0	32
Flint	11	0	2	9	0	2
Grand Rapids	31	0	19	12	0	19
Lansing	29	1	8	22	0	7
Pontiac	20	1	0	21	1	0
MINNESOTA						
Duluth	65	0	0	74	9	0
Minneapolis	282	27	18	291	9	0
St. Paul	119	12	27	104	0	15
MISSISSIPPI						
Jackson	10	0	2	8	0	2
MISSOURI						
Festus	10	0	3	7	0	3
Joplin	13	32	4	41	28	0
Kansas City	400	125	39	486	86	0
*Liberty	0	46	0	46	46	0
Marshall	58	4	0	62	4	0
*Sedalia	5	65	0	70	65	0
St. Joseph	55	0	5	50	0	5
St. Louis	825	199	88	936	111	0
Springfield	49	0	0	49	0	0
MONTANA						
Great Falls	17	2	4	15	0	2
Missoula	47	0	1	46	0	1

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Annual Report of Guy H. Hulse, Secretary

Demosthenes, the Grecian orator and philosopher who lived 384 to 322 B. C. said "there are two kinds of wealth—money and credit—and we have the credit."

Back in that ancient day Demosthenes understood the fundamental of business. He understood that sound credit is the key to individual and collective success.

This nation is pre-eminently successful and continuously prosperous because we, as a people, have learned to properly employ our individual and collective credit. Experience has taught us that credit properly regulated through interlocking control is the greatest of business accelerants.

Webster defines Credit as "a reliance or the resting of the mind on the truth of something said or done."

This National Association has for the past sixteen years been functioning with this thought in mind. Endeavoring constantly through every available means to guide consumer credit extension into proper ethical channels.

This report is submitted to you, the officers, the directors, and the membership of this Association in the confident belief that this work has been done. In the belief also that the ground work has been properly laid for a far greater and more constructive future service.

The accompanying graph depicting Credit Bureau growth shows that in 1906 there were but thirty Credit Bureaus in affiliation with the then National Association of Mercantile Agencies. In 1911 this number had increased to 69. Nineteen hundred sixteen showed a total membership of 125. In 1921, the year in which the Credit Service Exchange Division came into existence as a part of the then Retail Credit Men's National Association, there were but 193 bureaus holding affiliation. From that time forward Bureau growth and influence have increased very rapidly. June 30, 1927 showed a total of 876 Bureaus affiliated with the Service Division.

1906—	30
1911—	69
1916—	125
1921—	193
1924—	267
1925—	471
1926—	709
1927—	876
1928—	981



GUY H. HULSE

The past ten months, June 30, 1927 to April 30, 1928 have kept pace with preceding years in membership increases showing a gain of 105 affiliated bureaus, or a total membership of 981. Since April 30th, 34 applications have been received.

been accepted, and twenty applications are pending, making our total membership as of June 15th, 995.

The following is a schedule of states and their respective memberships as of April 30, 1928.

California	71
Texas	70
Oklahoma	58
Michigan	52
Illinois	52
Ohio	48
Pennsylvania	41
Kansas	35
Indiana	32
New York	32
Iowa	29
Colorado	28
Washington	28
Minnesota	27
Missouri	22
Tennessee	20
Florida	20
Massachusetts	20
Nebraska	19
Oregon	18
Louisiana	17
Arkansas	17
Georgia	14
North Carolina	14
West Virginia	14
Wisconsin	14
Canada	13
Alabama	12
Idaho	12
Montana	12
Virginia	12
North Dakota	11
Mississippi	10
Arizona	9
New Jersey	9
New Mexico	9
Connecticut	8
Wyoming	8
Kentucky	6
South Dakota	5
Maryland	4
Rhode Island	4
Maine	3
Nevada	3
New Hampshire	3
South Carolina	3
Utah	3
Dist. Columbia	2
Delaware	2
Vermont	2
Alaska	1
England	1
Holland	1
Hungary	1

Total Membership April 30, 1928 - - - 981

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Annual Report of Guy H. Hulse, Secretary

(Continued from page 8)

The ten leading states in point of bureau membership, as of April 30, 1928 are:

California	- - -	71
Texas	- - -	70
Oklahoma	- - -	58
Michigan	- - -	52
Illinois	- - -	52
Ohio	- - -	48
Pennsylvania	- - -	41
Kansas	- - -	35
Indiana	- - -	32
New York	- - -	32

The ten leading states in point of increase, June 30th, 1927 to April 30th, 1928 are:

Texas	- - -	22
Illinois	- - -	10
Pennsylvania	- - -	9
California	- - -	5
Michigan	- - -	5
New York	- - -	5
Colorado	- - -	4
Oregon	- - -	4
Idaho	- - -	3
Oklahoma	- - -	2

The ten leading Secretaries in point of New Bureaus secured are:

S. L. Thompson, LaGrange, Oregon.
A. B. Buckeridge, Pittsburgh, Pa.
Jas. D. Hays, Harrisburg, Pa.
Earl Wright, Ionia, Michigan
Adolf Grasso, San Antonio, Texas.
R. S. Martin, San Francisco, Calif.
W. A. Rayson, Tulsa, Okla.
Chas. H. Barber, Mason City, Iowa.
R. O. Gaudlitz, Springfield, Illinois.
W. A. Clarke, Jr., Richmond, Va.

These Secretaries have given unstintedly of their time, their energy and their intelligence, to the end that the merchants of their contiguous territory may have the benefit of efficient and effective credit control. They have caught the broader vision. They realize and appreciate the fact that as the backward communities become organized, their points of contact for reliable information and hence their ability to serve their membership intelligently is correspondingly increased.

Education is, without doubt, the most important function of this Association. The education first of the Bureau Manager as to the potential possibilities of his position. The education second of the Credit Executive as to the need for closer and more intelligent co-operation.

The truth of this statement is attested through the fact that reliable statistics indicate that the Fire Losses of this country from 1914 to 1926 were \$4,022,000,000. The Credit Losses for the same period were \$5,565,000,000 or \$1,543,000,000 in excess of the Fire Losses. These stupendous losses can, in a large measure, be traced to unintelligent credit extension on the part of the retail merchants of this country.

Conferences

It would seem that one of the best methods of approaching this important problem of education is through personal contact and the interchange of ideas, made possible thereby. The past year has shown an unusual activity throughout the entire country from the standpoint of Conferences. Eleven Regional Conferences being held as follows:

Iowa and Minnesota Secretaries,

Albert Lea, Minnesota July, 1927

Pacific Northwest Association of Retail Credit

Bureaus, Longview, Washington, October 10, 1927

Bureau Managers of Maryland, Delaware, Virginia, West Virginia, New Jersey, District of Columbia, Western Pennsylvania.

Washington, D. C. October 11th-12th, 1927

New England Bureau Managers,

Boston, Mass. November 15th, 1927

Mid-West Conference Credit Executives,

Omaha, Nebr. November 21st-22nd, 1927

Big Four Conference Credit Bureau Managers of Ohio, Michigan, Indiana and Pennsylvania,

Toledo, Ohio January 23rd, 24th, 25th, 1928

Tri-State Conference, Retail Credit Men,

Cleveland, Ohio February 13th, 14th, 1928

Columbia Regional Conference, Maryland, North Carolina, Pennsylvania, Virginia, West Virginia, Delaware, District of Columbia, New Jersey, Washington, D. C. February 13th, 14th, 1928

Minnesota, North Dakota and South Dakota Conference,

Rochester, Minn. February 20th, 21st, 1928

Southern Conference,

Memphis, Tennessee March 19th, 20th, 1928

New England Conference Credit Bureau Managers,

Portland, Maine May 7th-8th, 1928

Thirty State Conferences were held as follows:

Pennsylvania—Associated Credit Bureaus, Williamsport, June 15th-16th, 1927.

Missouri—Associated Credit Bureaus, Sedalia, Mo., June 20th, 1927.

Indiana—Indiana Secretaries, Lake Webster, July, 1927.

California—Associated Credit Bureaus, San Francisco, Calif., July 9th, 1927.

Colorado-Wyoming—Associated Credit Bureaus, Alamosa, Colorado, July 11th, 12th, 13th, 1927.

Nebraska—Associated Credit Bureaus, Hastings, Nebr., July 18th, 1927.

Michigan—Associated Credit Bureaus, South Haven, Mich., August 30th, 31st, September 1st, 1927.

What is Super-Centralized Service?

**By J. A. GROSS, Manager Adjustment Dept.
Retail Merchants Credit Ass'n of Los Angeles**

RECENT years have witnessed an awakening of the merchants from their post-war inertia. Today they are concerned with the more efficient organization of their collection policies in relation to the Store and the Community.

In recognition of this fact, merchants are seeking assistance as the science of business becomes more complex in its daily application. The many evils that are being perpetrated by the unfair collection methods of agencies who are disinterested in their problems and operating for personal gain must be corrected.

It is the prevalence of this practice of destructive methods and the lack of like-mindedness in treatment of these problems that is creating a resistance in public faith. To command public confidence, methods of doing business must be open and above board.

It is now apparent that, if an association of merchants is to render the highest type of skilled service to its members, it must also discontinue the practice of *laissez-faire* ideas in order to bring together in harmony, the merchants, the agency and the community.

Now, logically, isn't it expected of associations to assume leadership? Where collections are a part of the credit executive's responsibilities, shouldn't it by all means be a by-product of this clearing house of information? The great advance in our retail credit in the past twenty-five years can be traced directly to an increasing interest in co-operative effort, based upon scientific methods and research.

It is on this basis of facts that the merchant owned and operated adjustment department is evolving as the proving ground for our future collection problems.

In Los Angeles every large retail store has its own credit department working exclusively in its own interest. But in Los Angeles, as in very few other cities, one "super-centralized" bureau serves them all.

This concept of an adjustment department as an adjunct to the reporting bureau is our second big step in the direction of super-service and continued growth. It has required long, earnest and strenuous effort to establish its position and responsibilities to the community and the public is beginning to modify its at-

titude toward this type of collection bureau. They are not only beginning to recognize its right to exist but are being satisfied that our attitude of relationship to their welfare is such that the "pound of flesh" policy is not being exploited by our members.

Knowledge and foresight must not slip from our grasp if we are to continue the progress and achievement handed down to us by those who pioneered the Retail Merchants Credit Associations. Alert minds must assist in the establishment of these bureaus, not as a separate activity, but as a clearing house for intelligent, humane and analytical treatment of our own problems.

With this preface in mind, let's get down to specific facts and see what this clearing house of collection experience can offer to its members.

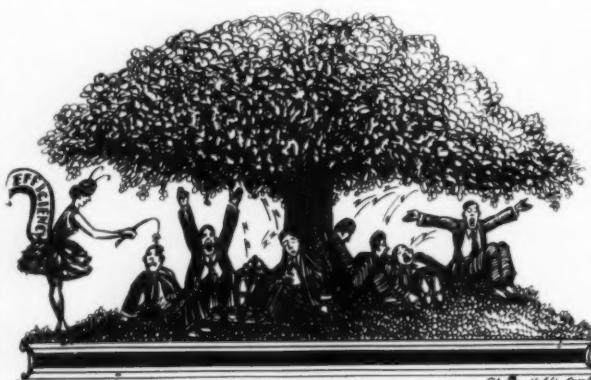
First of all, the experience of many of those who are operating a merchant owned and operated bureau for collections has proven that it is a decidedly profitable by-product for the merchants and keeps this revenue within our control rather than distributing it among numerous outside agencies.

The marshalling of our forces, so that each step in our process has some educational value as well as productive efficiency, should be so developed.

Each employee appreciates his indirect relationship to each member, so that the co-ordination of our resources, internal and external, makes for a smooth, comprehensive and profitable procedure.

Credit executives and collection managers visit the bureau to exchange ideas and frankly discuss problems. In the analysis, which such discussion develops, you are not operating behind a policy of isolation or closed doors, which usually locks out more than it locks in.

With an open door policy, groups of non-member merchants, through their contact with this department, are gradually enlightened to the advantages of association. It acts as a stimulant in building membership and replenishes our reporting department with valuable data. All claims are posted in our reporting department and each step in the process of treatment



Recent years have witnessed an awakening

What Is Super-Centralized Service?

(Continued from page 10)

is carefully registered. The gathering of trade information and various idiosyncrasies are used in compiling histories for future reference and the ultimate division of the buying public into two classes, viz: those who do pay and those who do not pay.

The pooling of all accounts against the same debtor frequently discourages bankruptcy when properly handled. It is also a constructive method of eliminating action on a single account, which might prove detrimental to the collection of others.

The general publicity, which unfolds as a result of numerous contacts such as letters, telephone, field man, publicity and legal contacts, keeps the merchants, the association and our emblem constantly before the public and puts a greater punch behind our policy in this method of concentrated effort.

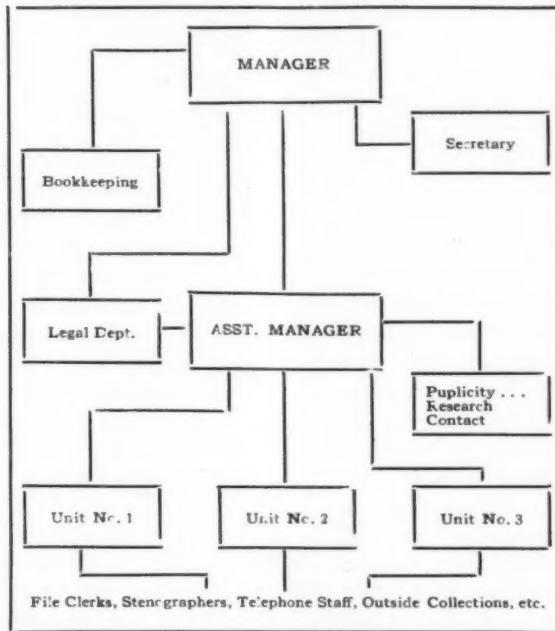
The successful operation of the bureau encourages nationalization of the collection interchange and our problem may be handled eventually with more dispatch, efficiency and honesty.

There are no magical secrets to collection work. It is simply a process of measuring the resources and ability of each case for treatment, augmented by hard work.

If one of the important steps in our future is the handling of our problems more scientifically and the development of our natural advantages, then it logically follows that the cumulative data that is being compiled by this institution indicates the coming demand for a department of research and statistics.

ORGANIZATION

The chart best illustrates a plan for organization. The small bureau may apply the same plan, using one unit to



take care of the entire business, the manager acting as unit head. The proper functioning of a collection bureau is dependent upon the soundness with which it is organized, and it is only necessary to point out that the plan of organization must be clearly defined and its mechanism built accordingly. Authority must be centralized and both field and office must be adequately supervised for prompt and efficient execution of work.

The chart shows a plan of organization that is in operation. It is a combination of both line and staff and the functional type of organization. Smaller bureaus are obliged to combine in the person of their executive and assistant the functions of several positions as shown on the chart.

The board of directors is responsible for the policies of the organization, the raising and disbursing of funds and the selection of the manager.

Much depends upon the managerial ability of the person acting as the central figure. He must be able to plan for growth and must be in position to judge results produced by his personnel. He must have an intimate knowledge of law and its relation to business. In order to secure the accomplishment of all that should be required of the manager, he must plan his work and that of his subordinates, and still have time for general oversight, outside contacts, frequent interviews with his staff, etc. In summing up, the manager is responsible for maintaining the highest level of successful efficiency and the maintenance of an *esprit de corps*. This is not a comprehensive statement of the duties of the manager, as space will not permit of further details.

The assistant manager is in direct charge of the

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There are no magical secrets to collection work

Due Dates of Time Payments Need Not Be Missed

By LOUIS M. COTTIN

THE credit manager of a large retail organization relaxed from the strain of his work to pass the time of day with us. We had dropped in with the hope of finding a story.

"Tough job, this", he said. "After you've done all the work of searching the credit possibilities of a prospect and granted all the credit you could, someone in the billing department gums up the works by failing to send notices on the proper due dates."

We were sympathetic. "How come", we asked. "Haven't you a large enough staff in the department to take care of things?"

"The department is O. K.", the credit man replied wearily, "But, I don't know, something is wrong with the system. You can't blame the clerks. They're bound to slip up somewhere, what with all the cards they have to look through and all the detail attached to their work. In order to get this business of time payments perfect, someone will have to invent a fool-proof system. I'd put on ten more clerks if I had to, but that won't help if the methods of filing don't show things at a glance."

The conversation with this credit manager came to mind when we were privileged to look into the collection and due date plan adopted by the Commercial Investment Company of Eldorado, Kansas.

The business of this company is loaning money on the purchase of cars. Along with the regular information about security and antecedents they must have information on the date of the car's insurance, when new insurance must be taken out and for how long.

For a long time they blundered along with the usual blind card file, keeping their due dates evident by arranging their cards according to months and by having a clerk run through them regularly to chart the due payments. But the new visible equipment now being offered by a company specializing in records and record efficiency solved their problem.

Cards are now filed with the important information visible. These cards are in four colors—tan, white, blue and pink. The colors indicate whether the security is endorsed or unendorsed and whether the loan is made on new cars or on used cars.

The visible margin shows, in the left corner, the due date of payments, the name, the address, the telephone number of the borrower. There is a month scale also visible for signalling. On the extreme right are the numbers, 1, 2, 3, 4, which, when covered by signals, indicate how many due notices have been sent.

The cards are filed according to the dates of due payments. Those borrowers whose payments are due on the first of the month will find their cards on the first slide of the visible record cabinet, those due on the second will be filed in the second slide and so on for the rest of the month. Signals are then placed over the month in which the payment is due. A green signal is used. If the customer has been granted an extension, the green signal is replaced by a yellow one. If the extension is carried over to some future month, the green signal remains and a yellow signal is placed over the month when payment is due.

Thus it is possible, by merely drawing out a slide, to know in as short a time as it takes to look, just who must be reached with past due notices. Since most of the borrowers pay promptly, it is possible, by noting the green signals, to see who has not made his payment on time.

After due date notices are sent, a red signal is placed over the number 1, mentioned in an earlier paragraph. If payment is not forthcoming in three days, another notice is sent and another red signal placed visibly over the number 2. When three red signals show, the card is removed and placed in another slide for the attention of the person assigned to handle delinquent accounts. This system permits automatic operation; posting is done daily and by one clerk. The system obviates going through a large ledger or several of them, as it is possible to get all the information needed by looking over no more than four slides. For example:

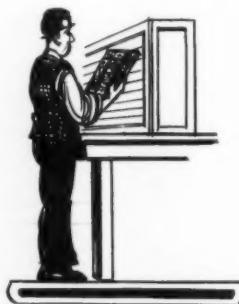
On the first of the month, posting is done for receipts on the 30th. Slide dated 27th is withdrawn, recorded and first notices are mailed. Red signal is placed over number 1.

Then the slide dated 24th is withdrawn. Red signals are already placed over number 1 on certain cards unless payment has come through and the second due notice is sent out and the second red signal placed. Slide dated 21st is then treated the same way.

Those who have already received their three notices are shown on slide dated the 18th and these names are removed and placed in a separate slide for the attention of the man who is in charge of delinquent accounts.

In this manner no borrower is ever allowed to run more than nine days without proper payment, except when special extension is granted by the executive authorized to do so.

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*Posting is done daily
by one clerk*

Of What Good are Regional Conferences?

By RALPH WATSON
(Member Credit Literature Committee)

THAT is a pertinent and timely question, it seems to me. With our National Association having members in every state, but with only nine or ten conferences held each year, there is reason to inquire—of what good? For the nine or ten give the Credit Men of a few states the chance to meet their fellows once a year, but the Credit Men of most states have no conventions of any sort except the National Convention, which few can attend. If conferences are of little value, then let us pay little attention, permitting such as want them to indulge. On the other hand, if they have great usefulness, then let us see that every credit man has a chance to attend a conference once a year.

Conferences now held annually are the Pacific Northwest (Washington, Oregon and Idaho); Montana; Texas; New York; the Tri-State (Indiana, Michigan and Ohio); the Mid-West (Missouri and neighboring states); the Southern (Tennessee, Alabama and others); Colorado and Wyoming; Minnesota; and New England. It seems fair to conclude that these conferences must be helpful to those that attend them, else they would have been discontinued. At least some of them would have been. On the contrary, I know of no conference that once organized, has not survived and grown in favor to a marked degree.

What do they accomplish?

I have not corresponded on the subject, and cannot quote verbatim the opinions of conference members in different sections, but I have attended the Tri-State, the New York, the Montanas three times, and the Pacific Northwest eight times. That makes a total of thirteen conferences, and I've heard the question discussed many times in our National Board of Directors meetings. So perhaps I am competent to argue the topic at least.

EFFECT ON THE INDIVIDUAL

It is typical of the credit man that he is reserved and not prone to enthusiasm. He hesitates to get on his hind legs and shout about the benefits that he has received. But I notice that after he attends one conference, he does his best to attend all those that follow. I notice that his firm is willing, generally, that he attend every year. I notice a gain in his self-confidence. That he reads and studies more, having concluded that there is still much to learn.

After a recent conference, a young woman, head of a credit department, young in the game said, "I wouldn't have missed it for anything. I had about made up my mind to get out of this kind of work. It

meant little to me except a job. Now I have a perspective. I appreciate the importance of my work, can see plenty of opportunity in it, and—well, I think I know what it's all about."

After the same meeting, a young man, one of three that had attended from a small city nearly 500 miles away, said, "That conference was worth \$500 to me. What fools those fellows are who wouldn't come. My outlook is broader, my enthusiasm is greater. I have learned a lot of things in two days that I'd not have learned ever in any other way."

And why not? Why should not these two feel so?

"That it would be both practical from a merchandising standpoint and profitable to the retailer and customer to apply standard terms to similar lines of business," had been the subject of a red hot debate. Without doubt this every interesting question had been fairly answered for every listener. To have dug up the definite, concrete data that was presented in one hour would have taken an individual many months of study and research.

They had listened to a strong paper on "Insurance and Its Relation to the Credit Structure." They knew that insurance is a field of business that is rapidly widening in its scope, but after that paper and the open forum discussion that followed, their ideas became more definite, and they felt that they really knew something about the subject.

"The Solicitation of New Charge Accounts: Is It Ethical and Sound Business?" In this paper its author frankly told how he solicited and got desirable new business and better still, he told of some of the mistakes that had proven costly. In the following discussions, some dozen representative credit men laid the cards on the table as regards their own practices. If they solicited they told why and how. If not, then they told why not. One credit man told how his store, a new one, opened 9,000 charge accounts before the doors were open. He also announced that almost all his store's business was on open account, said he wished it all was; told how accounts were opened on the floor rather than in his office, and told why these policies were in use. Oh, sure, he got an argument, but his replies were replete with facts and figures. Worth something to youngsters in the credit game? Yes, and to veterans as well.

Other subjects included the question of a collection department in conjunction with the Reporting Bureau; Professional credits—doctors, dentists, and hospitals;

Annual Report of Leop. L. Meyer, President

(Continued from page 5)

indulged that you will accord to Mr. Karpeles full appreciation for the services he has rendered.

Honorable mention should be made of your Finance Committee for the past year, composed, as it was, of Mr. George A. Lawo, Mr. John M. Connolly and Mr. Franklin Blackstone. This Committee cooperated to the fullest extent and, composed as it was of three very capable and sincere National Association workers, did even more than was expected.

It is most pleasing to have this opportunity to openly acknowledge the invaluable services rendered the administration by Mr. George A. Lawo, who in your President's opinion is the most unselfish, retiring, and consistently diligent worker within the ranks of the National Association. Whenever Mr. Lawo was called upon he favored the administration with very valuable advice and counsel, and let it be understood that he was called upon consistently as important matters arose and in which it was felt that his opinions and recommendations might be of value. Your President availed himself of Mr. Lawo's services in recognition of the fact that he was a man of sound judgment, unflinching moral courage and extraordinary poise and integrity. There was full realization that any opinion rendered by Mr. Lawo would be most impersonal and inspired solely by desire to exercise at all times his best judgment for the good of the Association even at the displeasure of disagreement with his close and bosom friends. Your President may openly confess that he knows of nothing that he treasures so highly as this man Lawo's friendship, which in itself has been an inspiration, not only in matters involving the National Association, but even in private life.

In addition to the foregoing there have been, of course, other most important activities during the year. Especial mention must be made of the services rendered by Mr. Stephen H. Talkes, Chairman of the Service Department Committee, National Retail Credit Association, Manager Associated Retail Credit Men, Washington, D. C. Under Mr. Talkes' guidance the Service Department Committee has functioned in an excellent manner, and Mr. Talkes has displayed unusual diplomacy in solving numerous problems in which pardonable differences were involved. By virtue of the fact that this has been the first year of the amalgamation it has been only natural that slight complications arose, and in each instance that matters of this character came before Mr. Talkes he exercised an almost profound judgment and has cooperated to the limit of his capabilities in maintaining harmony at all times, between the different elements of our membership. Mr. Talkes has been called upon by your President, consistently, throughout the period of the administration, and in every instance the Service Department Chairman has answered the call to

service graciously and has invariably favored your President with valuable assistance. The position that Mr. Talkes has held has been a difficult one, and your President can not too gloriously proclaim the praises of this ardent worker who has served faithfully as the Service Department Chairman and who has consistently and unselfishly devoted his efforts, sparingly, towards a firm consolidation of the interests of the credit elements of our organization. Your President beseeches you to give due acknowledgment for the services that have been rendered.

Our Secretary and Educational Director, Mr. Guy H. Hulse, through his activities this year, has stamped himself indelibly upon the credit texture of this nation. Mr. Hulse has even surpassed the expectations of those who were so favorable to his election to the position that he graces in our Official Family. From every section of the country your President has received glamorizing reports of the meetings over which Mr. Hulse has presided, and words simply are inadequate to express the scope of prestige which our Association has gained as a result of Mr. Hulse's travels in the interests of Credits and the National Retail Credit Association. Although Mr. Hulse acquired new duties and responsibilities under least favorable circumstances, he has conducted his office in most admirable fashion and has gained for himself and the National Association a host of friends and admirers from Coast to Coast, and your President feels that the Association is most fortunate in being in position to boast of the services of a man of Mr. Hulse's fine moral character and mental stability.

Last, but not least—a tribute to your Manager-Treasurer. His is a job—not a position. With each succeeding year he is forced to contact with a new National President and, naturally, each and every one of the chief executives is of different temperament. It is quite difficult, indeed, for Mr. Woodlock to adjust himself to all these changing conditions and circumstances and it is to be wondered at, that he can succeed in maintaining friendly relationships under such trying circumstances. Your President has found Mr. Woodlock, at all times, anxious and willing to do everything within his power to further the interests of the National Association. Although it is only natural that during the administration there were some slight differences of opinion between your Executive Officers and your Manager-Treasurer, in fairness to Mr. Woodlock it must be said that in many instances in which his better judgment was later vindicated, he submitted to the pressure of the administration in a most magnanimous manner. Your President believes that Mr. Woodlock feels that throughout the year the

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Annual Report of Leop. L. Meyer, President

(Continued from page 14)

executive Officers accorded him every conceivable iota of cooperation and respect and worked unselfishly towards the end of creating a greater organization to be graced by Mr. Woodlock's management. Your Manager-Treasurer, through painstaking care and diligent personal attention, has very much raised the standard of Headquarters management, as well as accounting efficiently. As a matter of fact, if there is anything that Mr. Woodlock might have done, during the past administration, that he failed to do in the fulfilment of his duties, such has simply not come to your President's attention. Your President does not mean to infer that the Association has functioned perfectly, but the inference is made that after taking into account normal human frailty and fallibility, your Headquarters and National Association, as far as Mr. Woodlock was concerned, was managed in an efficient and satisfactory manner.

REGIONAL CONFERENCES

A particular service rendered by your Association which has been productive of inestimable good was that in connection with Regional Conferences during the current administration. Nine conferences were held in different sections of the United States and the attendance at these conferences was a very high compliment to your Association and reflected good standing.

It was your President's privilege to attend the conference at Memphis, Tennessee, and Wichita Falls, Texas, and the character of the work done and the good accomplished at these meetings is inconceivable to one who has not had the privilege of attending.

It is recommended that the National Association foster the conference idea and continue to cooperate in every way, even to the extent of rendering financial assistance, in maintaining the conferences already organized, and in creating additional conference areas.

It is at the conferences that the great majority of credit men, who are not in position to attend National Conventions, may contact with fellow credit men of a given district, not only for an interchange of ideas but also for handshaking, which latter feature alone is worthy of consideration. It is also recommended that in the future the National Association cooperate with conference committees to the extent of circularizing the merchants of the various conference areas in the hope of influencing these merchants to attend the conferences, not only for the sake of immediate benefit to themselves, but also that they might acquaint themselves with the character of work done at the conferences and insure for their credit managers the privilege of continued attendance from year to year.

SERVICE DEPARTMENT REORGANIZATION

Your President has observed certain weaknesses in your organization as regards Service Department supervision. It is apparently very necessary that your Secretary and Educational Director, directly in charge of Service Department operations, should maintain his residence at St. Louis and that at least two representatives should be employed for field service. Although your President believes that everything humanly possible has been done, at Headquarters, to discharge the obligation to the Service Department membership; and that, under the conditions as existed, the finest possible results were obtained, it was simply obvious throughout the year that proper jurisdiction of the Service Department required the full time and attention of an experienced and acknowledged authority on Service Department functionings in particular, and on Retail Credits in general.

As a result of the impossibility of Mr. Hulse's being in several parts of the country at the same time and of the necessity of Mr. Hulse's cancelling certain engagements, because of more relative importance of other matters requiring his attention, an unnecessary amount of displeasure in certain quarters was experienced, and disfavor towards the National was precipitated as a result thereof. Your President believes that Mr. Hulse should apportion a certain number of days of each month to activities in the larger centers and, that jointly with your Manager-Treasurer, should concentrate his efforts upon the formation and enlarging of local associations, and in developing bureau efficiency and procedure standardization. Any operation of the National Association, that may be of fundamental significance, should be a field for the combined efforts of any and all elements of the Headquarters organization, irrespective of especial departmental affiliation of any individual at Headquarters. That is essential to the perfection in practical amalgamation of aims and ambitions, upon which we have theorized for so long a time.

Your President believes that the further development of our Association from one Headquarters is impracticable and recommends that ways and means be devised for dividing the country into divisions to be designated as the Northern, Southern, Eastern and Western Divisions and that over each division a divisional manager be placed, such divisional manager to be subject to the jurisdiction of general Headquarters. Your President believes that such is practicable and that assessments against those states, comprising the various divisions, for the support of divisional management and headquarters, would be favorably looked upon, upon the presumption, of course, that the serv-

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ice rendered would be proportionate to the assessment made. By such an arrangement each section of the country would have at its command a combined service department and retail credit expert who would concentrate his efforts and attentions upon that particular section in which he was the official representative. It also appears that within a very few years, it would be entirely in order to increase the number of divisional managers according as finances permitted and service might demand. Your President firmly believes that affiliation with the National Association is worth many times the present cost of membership, and personally views with disdain and decided disfavor the recommendation that dues be lowered. However, the fact is also appreciated that it is difficult to present to our potential membership the abstract advantages afforded by National affiliation and believes that more tangible benefit should be provided in order that membership and affiliation might be sought rather than solicited.

MEMBERSHIP POLICY

Your President has observed with the utmost concern the general reaction of the membership at large to membership campaigns and is forced to the conclusion that such are impracticable. Although there is apparently a keen interest in membership growth in all quarters, this interest is more or less abstract and is not generally supported by any desire to do the actual physical work necessary to successful membership solicitation. You will observe that the real membership increases during the current administration have come mostly from those states which have heretofore always been recognized as the best organized in a credit way.

It is very noteworthy that the five States leading in membership, in order of standing, are Missouri, Ohio, Texas, New York and Pennsylvania; and that the combined membership of these five states comprises 37% of the entire membership of our Association. And at this moment it may not be out of order to compliment in the highest possible terms the leadership in the states of Missouri, Texas, Tennessee and New York. For ten years, Missouri has led in members and during the bygone year, Texas has attained third place in membership, and New York has advanced to fourth place; and your President wants to acknowledge gratefully the diligent efforts, during the recent membership drive, exerted by Mr. M. G. Liberman and the entire credit organization of Memphis; Mr. Dewey George, of Knoxville; Mr. Robert Stern and Mr. J. E. R. Chilton, Jr., of Dallas; Mr. A. J. Kruse, of St. Louis; Mr. A. P. Lovett, of Kansas City; Mr. R. S. Martin, of San Francisco; and Mr. Gus Miller, of Milwaukee, who were particularly outstanding in accomplishment, although there were many

others who exerted real effort, to whom returns in number of new memberships were simply not forthcoming.

It is also apparent that further pressure on membership at large, for the solicitation of individuals, is not advisable, which is reflected in the fact that although something in excess of four thousand new members were signed up during the past year, better than twenty-five hundred cancellations were recorded, and it is only fair to presume that these cancellations were from members previously sold under pressure and who did not represent the character of merchant or professional man at all interested in the upbuilding of our National organization.

Accordingly, it is recommended that in the future, the amount of Association funds budgeted for membership work and the thought and time of our paid officials be invested in two characters of activity:

First, in the formation of as many new locals as possible, regardless of the comparative fewness of the memberships to such locals (however, in no instance should a local consist of fewer than ten members). The above recommendation is made upon the presumption that such locals will be nuclei for membership growth in direct proportion to the extent to which such locals are educated to the relative value of National affiliation. In other words, it seems wiser to concentrate educational effort upon a small number in any given locality, which number might spread National Association propaganda most effectively, rather than undertake to change the mind of an inexperienced and uninformed merchant body at one fell swoop.

Second, in developing hundred-per-cent National affiliation in those cities which already have well organized locals. It is your President's opinion that if the activity of your Educational Department were concentrated upon this latter class of locals, and if actual physical assistance were rendered to leaders of the larger locals, effecting affiliation of all bureau subscribers in the big cities would be entirely conceivable. Your administration has proven that it is thoroughly possible with a single stroke to sign up entire bureau memberships for National affiliation, and the City of New Orleans offers the proof of the pudding. By simply conferring with the leaders of the Merchants Association of New Orleans and by merely employing common sense rather than high-powered salesmanship, and by presenting intelligently the advantages of National affiliation, one of your members, practically singlehanded, sold the idea of amending the Constitution and By-Laws of the New Orleans Association so as to include in the cost of bureau membership, the cost of National membership. It must, however, be

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noted that Mr. Frank L. Miller, Manager of the New Orleans Retailers' Credit Bureau, cooperated to the fullest extent in putting the plan across.

COMMUNITY CREDIT POLICY

Your President believes that if the foregoing recommendations both as applying to increasing the personnel of Service Department Management and to the concentration of membership effort, were adopted, a nation-wide application of the principles of a community credit policy might be enforced. It has been observed that those few localities, in which the community-credit-policy idea has been developed, are most outstanding, and that in such localities proper authority and recognition have been either assumed by, or delegated to, credit bureau managers who should rightfully be most authoritative and influential in credit matters generally. By a "community credit policy" is meant nothing more than interlocking credit control, each and every element in credit granting cooperating to the end of maintaining certain standards and tenets in the interchange of credit information, in all instances conforming to rules and regulations prescribed by the bureau and subscribed to by the membership. The community credit policy, properly applied, produces six main results:

First, creation of community respect for the privilege of credit;

Second, fair appraisement of the credit department in relation to other departments of business;

Third, proper regard for the credit bureau;

Fourth, elimination of terms competition;

Fifth, increase in collection percentages;

Sixth, decrease in loss ratio.

The attainment of these ends should be the ambition of every person even remotely involved in retail credits, and these ends are attainable only by a concentration of effort and a convergence of minds and energy towards a given point to be known as perfection in credit control.

The first important objective should be the improvement of the credit bureau, generally. Your President is directly opposed to the idea of insanely increasing the number of bureau memberships and believes that it would be a wise resolution to eliminate a great many hopelessly inefficient bureaus from service department affiliation and to concentrate all the forces and finances of the Association to the end of developing efficiency in the management of those bureaus which manifest interest in their own improvement. As a natural sequence to the National's interest in well-intentioned bureau management and disdainful attitude towards listless and indifferent bureau management, those bureau managers in the latter category will come to terms or fall by the wayside.

No great good will obtain until such time as bureau operation and reporting are standardized along accepted lines. Whereas, today, of our thousand bureaus Nationally affiliated, at least fifty per cent function independently, with no appreciation of the relative obligation of the bureau, as far as the establishment of community credit policy is concerned; whereas, it is consistently said that bureaus are generally under-financed; and, whereas, this fact may be true, the predicament is a result, primarily, of the inability of the average bureau to maintain its justifiable position in its community. The Service Department of the National Retail Credit Association is the only factor capable of altering the situation above referred to, and this can come about only by incessant driving. It is even conceivable that excellent results would be realized if the Service Department undertook the task, systematically, of analyzing conditions of the various bureaus comprising its membership, grading each bureau according to standards of efficiency justifiably expected, and thereafter supplying to the individual bureau manager the services of an expert to assist in raising the standards of the bureau to the accepted degree of perfection. Should a bureau fail to function properly, after such service has been rendered, the Service Department might determine the cause for failure and campaign with the bureau manager against the merchants, or with the merchants against the bureau manager, according to the merits of the case.

The necessity of the recommended procedure has been accentuated during the present administration, in which especial effort has been exerted towards influencing some of the great national corporations, requiring reporting service, to direct their business to our bureaus; and, sadly enough, the reporting service in many instances has been found to be so unsatisfactory as to warrant cancellation of arrangements that had been agreed upon by your National Association and the large corporations referred to.

The foregoing is not in any sense intended as an indictment of the Service Department which has really made inconceivably remarkable strides during the past year, but rather it is hoped that through bringing a few shortcomings of the bureaus prominently forward a decided effort will be made to eradicate weakness that may exist in order that thereby service reporting generally may be improved and that the bureaus may come to be recognized properly as the controlling element of the nation's credit policies as defined.

CONSTITUTIONAL AMENDMENT

Your President has observed a distinct weakness in the method of appointing state chairmen for administration of National Association affairs. It is recom-

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mended that in the future, at National conventions, delegates be invited to volunteer for service as state chairmen, as it is more than likely that if state chairmen are selected in such a fashion they will accept their responsibilities more seriously. It is further recommended that your By-Laws be so amended as to designate service as state chairman as one of the requirements of eligibility for election to the directorate, in order that your directors may gain the distinction of office only as a result of relative accomplishment during their period of state chairmanship. Heretofore, in too many instances, directors have been chosen geographically rather than because of especial desire to serve the cause. If the recommended procedure be adopted it will more than likely obviate the possibility of any director's working against the best interest of your Association, such as has been noted in the past, or at least retarding the Association's growth by lack of interest in Association affairs.

INTER-ASSOCIATION ACTIVITY

Inasmuch as the interests of the two Associations are in some respects very similar, your President recommends that two certain operations be jointly supported by the National Association of Credit Men (Wholesalers) and the National Retail Credit Association; namely, the maintaining of a Washington office, and the publication of a magazine on credits.

The above recommendations are not intended to cast the slightest reflection upon either "The Credit World" or our Washington office as heretofore operated. As a matter of fact, "The Credit World" during the current administration has developed very notably and is decidedly improved both as to appearance and as to content, and is in your President's opinion, a very favorable reflection upon your National Headquarters. However, the cost of publishing "The Credit World" is almost prohibitive and if consolidated with the Wholesalers' organ, would have sufficient circulation to attract national advertisers, and from such a source of revenue the magazine might be self-supporting. By way of explanation, this proposition was suggested by a high officer of the Wholesalers, and impresses your President as being practicable.

Your Washington office has functioned actively and decidedly satisfactorily during the current administration, but it is very questionable to your President's mind whether the Association's finances will permit maintaining such an office. It is recommended that an effort be made to influence the National Association

of Credit Men to share the cost of maintaining a Washington office, which office shall jointly serve Wholesalers and Retailers, not only in order that the cost of such service to each Association might be materially reduced, but also in order that the forces of both organizations may be joined in all matters of mutual interest and importance to these two Associations.

On behalf of Mr. R. Preston Shealey, our Washington representative, it may be said that in every instance that he was called upon, he rendered excellent service and apparently at all times had the affairs of the National Retail Credit Association seriously at heart.

In the foregoing, your President has conscientiously attempted to report, after a fashion, on the workings of your Association during the current administration. If the administration has been a success, your President does not wish to assume any credit therefor, inasmuch as from all quarters cooperation on all matters was accorded, and the brains and intelligence of your Executive Officers and membership at large were drawn upon by your President, consistently; if the administration has not measured up, your President must accept full responsibility and attribute lack of accomplishment to his own inability to avail himself of the resources at his command.

At the beginning of the administration, in the President's message, a certain program for the year was outlined and the program was adhered to, to the strictest letter of the law, in the year's activities. It was distinctly promised that this would not be a one-man administration, and this promise was complied with, for many here will bear witness that any and all sound recommendations for the good of the Association were graciously accepted and observed. Regardless of what your individual opinion may be as to the accomplishments of the administration, your President begs of you only one concession, and that is, that you accord him credit for sincerity of purpose and unselfish service. Your President conscientiously believes that in each and every act that he performed; that in each and every word spoken or written; that in each and every judgment that was passed, he was motivated by one, and only one, ambition, namely, to do all humanly possible for the furthering of the cause of Retail Credits and for the increasing of the power and prestige of the National Retail Credit Association as a body, and for its membership as individuals.

Respectfully submitted,

LEOP. L. MEYER.

NEBRASKA
Colo.
Lin.
Oma.

NEW JERSEY
Newark

NEW YORK
Aub.
Buff.
New York
Rock.
Sche.
Syrac.
Utica

NORTH BIRMINGHAM

OHIO
Akron
Cinc.
Clev.
Colt.
Day.
Lim.
Tol.
You.

OKLAHOMA
*Blac.
Cus.
*Enid.
Fair.
*Gut.
Mu.
Okla.
Oklahoma
Pon.
*Stil.
Tul.

OREGON
Port.

PENNSYLVANIA
*Che.
Ha.
Lanc.
Phila.
Pitt.
*Rea.
Scr.
Yo.

RHODE ISLAND
Providence
South Providence
Sic.

TENNESSEE
Ch.
*Jac.
Knox.
Mem.
Na.

TEXAS
Austin
Corpus Christi
Dallas
El Paso
For.
Galveston
Houston
Pec.
San Antonio
Waco
*Waco

UTAH
Ogallala
Salt Lake City

VIRGINIA
Richmond

WASHINGTON
Seattle

WISCONSIN
Milwaukee

WYOMING
Cheyenne

Annual Report of D. J. Woodlock, Manager-Treasurer

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	June 30, 1927	New	Can- celled	April 30, 1928	Gain	Loss		June 30, 1927	New	Can- celled	April 30, 1928	Gain	Loss
NEBRASKA							VIRGINIA						
Columbus	135	0	135	0	0	135	Lynchburg	17	1	7	11	0	6
Lincoln	91	1	0	92	1	0	Norfolk	18	1	2	17	0	1
Omaha	400	0	0	400	0	0	Richmond	14	0	3	11	0	3
NEW JERSEY							WASHINGTON						
Newark	104	28	13	119	15	0	Everett	22	1	0	23	1	0
NEW YORK							Seattle	68	0	0	68	0	0
Auburn	41	5	3	43	2	0	Spokane	184	57	11	230	46	0
Buffalo	16	0	2	14	0	0	Tacoma	40	1	0	41	1	0
New York	467	152	14	605	138	0	Wenatchee	30	6	0	36	6	0
Rochester	100	5	1	104	4	0							
Schenectady	38	4	0	42	4	0							
Syracuse	21	0	3	18	0	3							
Utica	127	45	32	140	13	0							
NORTH DAKOTA							WEST VIRGINIA						
Bismarck	10	12	1	21	11	0	Charleston	15	0	1	14	0	1
OHIO							Huntington	31	12	3	40	9	0
Akron	81	6	1	86	5	0	Wheeling	10	0	1	9	0	1
Cincinnati	53	0	3	50	0	3							
Cleveland	813	155	207	761	0	52							
Columbus	26	7	0	33	7	0							
Dayton	28	0	0	28	0	0							
Lima	11	0	6	5	0	6							
Toledo	77	11	6	82	5	0							
Youngstown	62	3	0	65	3	0							
OKLAHOMA							WISCONSIN						
*Blackwell	3	21	0	24	21	0	Wilwaukee	258	195	13	440	182	0
Cushing	12	0	0	12	0	0							
*Enid	6	51	0	57	51	0	WYOMING						
Fairfax	11	0	0	11	0	0	Cheyenne	14	7	1	20	6	0
*Guthrie	2	14	0	16	14	0							
Muskogee	30	5	5	30	0	0							
Oklmulgee	19	0	1	18	0	1							
Oklahoma City	92	3	8	87	0	5							
Ponca City	38	10	3	45	7	0							
*Stillwater	1	11	0	12	11	0							
Tulsa	90	13	0	103	13	0							
OREGON													
Portland	224	138	43	319	95	0	Tuscaloosa, Alabama.						
PENNSYLVANIA							Toronto, Ont., Canada.						
*Chester	1	18	0	19	18	0	Sault Ste. Marie, Canada.						
Harrisburg	37	0	4	33	0	4	Canon City, Colorado.						
Lancaster	61	11	3	60	8	0	Salida, Colorado.						
Philadelphia	35	4	3	36	1	0	Miami, Florida.						
Pittsburgh	543	178	387	334	0	200	Orlando, Florida.						
*Reading	6	30	0	36	30	0	St. Petersburg, Florida.						
Scranton	20	0	2	18	0	2	Winter Haven, Florida.						
York	52	30	0	82	30	0	Waukegan, Illinois.						
RHODE ISLAND							Abilene, Kansas.						
Providence	87	11	1	97	10	0	Arkansas City, Kansas.						
SOUTH DAKOTA							Hutchinson, Kansas.						
Sioux Falls	13	0	4	9	0	4	Pittsburg, Kansas.						
TENNESSEE							Worcester, Massachusetts.						
Chattanooga	140	16	26	130	0	10	Liberty, Missouri.						
*Jackson	2	8	0	10	8	0	Sedalia, Missouri.						
Knoxville	127	46	4	169	42	0	Blackwell, Oklahoma.						
Memphis	307	108	66	349	42	0	Enid, Oklahoma.						
Nashville	89	61	4	146	57	0	Guthrie, Oklahoma.						
TEXAS							Stillwater, Oklahoma.						
Austin	35	3	5	33	0	2	Chester, Pennsylvania.						
Corpus Christi	16	0	3	13	0	3	Reading, Pennsylvania.						
Dallas	204	79	1	282	78	0	Jackson, Tennessee.						
El Paso	23	3	2	24	1	0	Wichita Falls, Texas.						
Fort Worth	46	27	3	70	24	0							
Galveston	13	27	4	36	23	0							
Houston	234	48	49	233	0	1							
Port Arthur	35	10	0	45	10	0							
San Antonio	102	6	0	108	6	0							
Waco	16	0	1	15	0	1							
*Wichita Falls	1	25	0	26	25	0							
UTAH													
Ogden	9	0	1	8	0	1							
Salt Lake City	31	1	4	28	0	3							

We feel we should specially call your attention to the record of the Associated Retail Credit Men of St. Louis, with 936 members. This Association has been a most loyal and consistent supporter of our National

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Annual Report of D. J. Woodlock, Manager-Treasurer

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organization since 1914, and for the past six years has led all other cities in number of members.

An analysis of the membership list will show many cities who deserve special mention because of the number of members. Among them is New Orleans, Louisiana, with 334. One year ago this Association cancelled a large part of its membership, but through the efforts of several of the leading Merchants and Credit Managers of New Orleans, and National President Meyer, they again became 100% National.

THE TEN LARGEST LOCALS

St. Louis, Mo.	936
Cleveland, Ohio	761
New York, N. Y.	605
Kansas City, Mo.	486
Milwaukee, Wis.	440
Omaha, Nebr.	400
Washington, D. C.	394
Des Moines, Iowa	350
Memphis, Tenn.	349
New Orleans, La.	334
Pittsburgh, Pa.	334

THE FOLLOWING LOCALS MADE THE LARGEST GAIN

Milwaukee, Wis.	182
New Orleans, La.	176
New York, N. Y.	138
St. Louis, Mo.	111
Portland, Ore.	95
Kansas City, Mo.	86

Service Department

This has been a year of unusual activity in our Service Department. One hundred sixty-six Bureaus were enrolled as affiliated members and 61 memberships were cancelled because of inefficient service or failure to renew membership. Our Service Department, on April 30, 1928, showed a membership of 981, with 34 applications pending, a record of which we feel justly proud.

Recognizing our Service Department as the backbone of our Association, we have devoted most of our activities and energy to upbuilding and developing our individual Bureaus, making them more efficient as Local Reporting units, and bringing to them increased revenue because of National affiliation.

National Secretary and Educational Director Guy H. Hulse has given all of his time to this work, traveling 17,233 miles, visiting 127 cities and 21 states, and personally enrolling 46 new Bureaus. He arranged for 11 Regional and 30 State Conferences of Bureau Managers, personally attending many of these. This created an intimate relationship between our

Service Department members, such as we have never had in the past, and we feel we voice the sentiment of our entire Service Department when we compliment Mr. Hulse on his excellent constructive and educational work.

Hundreds of personal letters addressed to your Manager-Treasurer, from Merchants and Credit Managers, as well as press notices in every city in which he spoke, attest to the impression made by Mr. Hulse in his addresses, which, while built around Credit, also cover the vital points of merchandising.

In addition to the efforts of Mr. Hulse, your Manager-Treasurer and his Assistant, Mr. A. B. Sanders, gave more than one-half of their time to our Service Department, answering thousands of letters, promoting features of exclusive benefit to the Bureau members, editing the Service Monthly Bulletin, and suggesting ways for improving local bulletins, attending Conferences, and in person meeting with officials of finance and insurance companies, in an effort to secure for our Service Department the enormous reporting business of these concerns.

Mr. Sanders himself brought in several new Bureaus, reorganized 4, and laid the foundation for others, which will develop within the next few months.

The potential possibilities of our Service Department require our most serious thought and we should spare neither effort or expense to develop and assist each individual unit, both as regards improvement of the service and bringing to them real business. During the past year there has existed a unity of thought and action between the Credit Managers and the Bureau executives. This must be encouraged with a view toward reaching that perfection which will make our Service Department the recognized National Reporting Organization of the country for those desiring information on individual citizens.

We recommend dividing the country into districts, with an assistant Secretary or Field Manager in charge, operating under the supervision of the National Office and devoting their entire time to assisting our Bureau members, improving and standardizing the service and educating Retail Merchants in the necessity for supporting the Bureau and using its service.

There are 1,300,000 Retailers in the country. It is estimated 500,000 at least are doing a credit business. Yet our Bureaus have but 150,000 subscribers. It is easy to understand the great benefits that would come to our Service Department if we double the present number of subscribers and the unlimited field presented by securing the business of the Finance, Insurance, Farm Loan, Real Estate and Banking Interests.

It will entail a large expense to carry out our plans, but the possible returns are worth the sacrifice. We

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will be headed for the goal of the builders of this Association, who visioned a National system of Retail Credit Clearing Houses for stabilizing Credit extension.

It must be remembered that additional subscribers to our Bureaus not alone increase the revenue of the Bureau, but what is possibly more important, bring to the Bureau files additional information, which means more complete service.

We earnestly hope our Service Department members will realize that in order to carry on, we must find ways and means of increasing our revenue, either through the enrollment of Merchant members, or some new financing plan.

We consider the question of proper financing of such vital importance to our future success we recommend the appointment at this Convention of a Committee of seven, four service and three credit men, to consider the several plans which have been submitted to your Board of Directors, and report their recommendations to this Convention not later than June 21, so action may be taken before adjournment.

Finances

The following itemized list of Receipts and Expenses and Balance Sheet are taken from the official Certified Audit of Touche Niven & Company, Certified Public Accountants, who for the past six years have had charge of our audit.

To Credit Managers familiar with financial statements, the figures speak for themselves. We, however, take pride in calling your attention to the fact that our net worth is constantly increasing. This year the amount of our Assets over Liabilities is \$46,684.10, as compared to \$39,336.00, at the beginning of our fiscal year.

NATIONAL RETAIL CREDIT ASSOCIATION

BALANCE SHEET—APRIL 30, 1928

ASSETS

CASH:		
Working Fund	\$12,988.29	
Coupon account	19,469.11	
		\$32,457.40
DEPOSIT—U. S. POST OFFICE		23.37
ACCOUNTS RECEIVABLE:		
Membership dues	\$24,584.15	
Coupons	4,864.50	
Advertising and supplies	2,462.99	
Sundry debtors	860.00	
		32,771.64
INVENTORY OF SUPPLIES FOR RESALE		4,316.79
OFFICE FURNITURE AND FIXTURES,		
less reserve for depreciation		3,336.28
		\$72,905.48

LIABILITIES	
ACCOUNTS PAYABLE:	
Membership campaign expense	\$1,214.88
Tracing department fees prepaid	415.50
Sundry creditors	241.86
	\$ 1,872.24
CERTIFICATES OF INDEBTEDNESS	540.00
RESERVE FOR OUTSTANDING COUPONS	23,809.14
Total liabilities exclusive of unearned membership dues	\$25,221.38
EXCESS OF ASSETS OVER LIABILITIES	
BEFORE PROVISION FOR UNEARNED MEMBERSHIP DUES	\$46,684.10
	\$72,905.48

NOTE: The liability at April 30, 1928, on account of unearned membership dues, for which no provision has been made in the above statement amounted to \$50,820.11.

NATIONAL RETAIL CREDIT ASSOCIATION STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS FOR THE TEN MONTHS ENDED

APRIL 30, 1928

Receipts of Income	
Membership dues	\$61,087.77
Advertising and sale of supplies	12,138.21
Commission on sale of coupons	10,637.30
Commission on collections	662.28
Tracing department fees	1,845.05
Income from investments	583.11
Interest on bank balances	296.73
Miscellaneous	516.37
	\$87,765.82

Disbursement of Expense	
Printing Credit World	\$13,349.22
Printing other	2,051.09
Salaries	30,550.83
Traveling expense, executive and others	7,025.21
President's office expense	914.26
Supplies for resale	7,334.02
Convention expense	3,635.23
Postage—general	2,523.93
Postage—Credit World	1,015.63
Executive and finance committee expense	1,407.04
Legal and auditing	1,250.00
Rent	2,475.00
Telephone and telegraph	1,683.89
Stationery and office supplies	1,643.22
Insurance and surety bonds	217.50
Entertainment	118.60
Interest paid and discounts allowed	251.14
Tracing department expense	542.95
Service department expense	682.12
Membership expense	1,173.33
President's membership campaign	1,791.89
Conference expense	321.34
Statistics committee	1,500.00
Washington representative	2,581.08
Legislative committee	225.04
Commission—collection book, etc.	1,866.33
Pay-promptly campaign	549.84
Educational committee	175.00
Printing—Coupons	1,718.74
Printing—Rosters	1,878.15
Printing—Book	1,161.40
Printing—Service Bulletins	1,500.68
Miscellaneous	1,125.75
	96,188.55

Excess of Disbursements of Expense over Income	\$ 8,422.73
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Other Disbursements

Collections due clients	\$ 2,784.43
Certificates of indebtedness redeemed	3,120.00
Personal advances	1,200.00
Office furniture and fixtures	399.30
Overpayments refunded	6,070.52
	<hr/>
	\$13,574.25
	<hr/>
	\$21,066.98

Other Receipts

Sale of securities	\$ 3,000.00
Collections due clients	2,765.92
Overpayments to be refunded	6,022.52
Personal advances repaid	1,398.43

Excess of Disbursements over Receipts	\$ 8,810.11
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Cash in bank and on hand	\$15,860.61
Add: Transfer of cash from Service Department:	
Checking account	1,628.58
Savings account	4,309.21
	<hr/>
	21,798.40

Cash in Bank—April 30, 1928

General Fund	\$12,988.20
Balance July 1, 1927	\$14,015.22

Receipts:

Proceeds from sale of coupons:	
173,150 at \$.65	\$112,547.50
37,530 at .35	13,135.50
50 at .75	37.50
110 at 1.00	110.00
373 at 2.00	746.00
3,447 at .25	861.75
	<hr/>
	\$127,438.25
Overpayments to be refunded	3,181.47
Dues and sundry working fund income	113.50
Interest on bank balances	137.50
Income from sale of Credit Bureau Management	12.00
Electros50
Collection on previous sales	50.00
	<hr/>
	\$130,933.22
	<hr/>
	\$144,948.44

Disbursements:

Coupons redeemed	\$111,547.97
Transfer of dues and sundry income to working fund account	113.50
Interest transferred to savings account	137.50
Exchange charged by bank	8.76
Electros50
Transfer of income received on sale of Credit Bureau Management	12.00
Overpayments refunded	3,021.80
Transfer of commission on coupons sold to working fund account	10,637.30
	<hr/>
	125,479.33

Cash in Bank April 30, 1928.	
Coupon account	\$ 19,469.11

Regional Conferences

Nine Conferences were held, with an average attendance far in excess of other years. The programs of these meetings were of exceptional educational

merit. These Conferences were held in the following cities:

Rochester, Minnesota—North Central District.
Omaha, Nebraska — Mid-West.
Cleveland, Ohio — Tri-State.
Memphis, Tennessee — Southern.
Portland, Maine — New England.
Tacoma, Washington — Northwestern.
Syracuse, New York—State.
Orlando, Florida — State.
Wichita Falls, Texas— State.

Our National Office

The changes in our By-Laws, made at our last Convention, created the necessity of a complete reorganization of our National Office, and the service rendered by headquarters this year was a decided improvement upon the past. The number of employees, fifteen, is exactly the same as last year. There has been a decided increase in our correspondence, due to our Legislative and Educational activities.

Twenty-seven requests for trained Credit Managers were received from Merchants, and we were able to fill all of these with men and women who are rendering satisfactory service.

Our Wholesale Friends

Our relations with the National Association of Credit Men (Wholesalers) has been most cordial. Mr. Stephen I. Miller, who succeeded Mr. Tregoe as Executive Manager, is a man of ability and vision, and welcomes every opportunity for cooperation between the two Associations. The practice of holding joint meetings of the members in cities where both Associations have a Local, has become nation-wide and created a friendly interchange of mutual benefit.

The Providence Convention

Our last Convention, held at Providence, R. I., fell short of our expectations as regards attendance, which again emphasizes the fact that meetings held in the central section of the country attract a much larger number of members than those on either coast.

The Retail Credit Association of Providence, with Mr. Joel Pincus of The Outlet Company as General Chairman, and the Retail Merchants Association, with Mr. Nelson Street as Chairman, lived up to the promises so often made by Mr. Street, as to looking after our every comfort and entertainment. Our sincere thanks is extended to both Associations, the two officials named and their associates on the committees.

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Annual Report of D. J. Woodlock, Manager-Treasurer

(Continued from page 22)

Collection Helps

The success of our 4-Point Collection System encouraged us to put out an improved system. Over three hundred of these were ordered by members, and a canvass of the users showed 88% enthusiastic as regards results from the use of our letters.

We are convinced there is a potential collection force in the name of our National Association, which cannot be found in any other organization or collection system, and the fundamental idea which prompted the publication of our system, i. e., to offset the spending, by our members, of large sums on worthless systems, has been justified by results.

But we also feel the Collection Departments of our various local units have reached a point of efficiency where this use of our National 4-Point Collection System can be conducted as a feature of each local collection department, thereby giving a revenue to the Local and relieving the National of much detail and clerical work.

Therefore we recommend our efforts to assist members through furnishing a collection system in the future be tied up with recognized Collection Departments of Local Associations.

During the past ten months we furnished our members with one-half million inserts for enclosure with statements, and stickers for attaching to same. These are for use on current accounts, and of a purely educational nature. We recommend a series of new inserts and stickers be issued and members be encouraged to use them, as they in no way compete with the recognized Collection Departments of our Locals.

Our Collection Forwarding Department, organized for the purpose of insuring our members efficient collection service, has been misunderstood, many feeling that we were engaged in the collection business, while our original object was to act as a forwarding agent between members and dependable collectors. So many claims were sent us from members located in cities where we had no established collector, we were practically forced into handling them, a feature entailing a large clerical force and much correspondence.

We recommend the discontinuance of this feature, and in lieu thereof establish a Collection Bureau in the National Office, where all collection units, members of the National Association, either as departments of a Local Association or an individual, will be recorded and information as to where claims can be placed for collection furnished our members without cost. This Bureau should also keep in close touch with the collection units, so as to assist them in their problems and develop new business, with a view to eventually creating a National Collection Department,

operating along the lines of our Reporting Department; the National Office not doing any collecting itself, but using its influence and power to promote a chain of dependable collection units under our supervision.

Our Tracing Department is another feature which has given excellent service. Approximately 400 missing debtors are located monthly, but the thousands of names reported to us are from a very small percentage of our membership, and it is possible this feature is usurping the work of our Locals and depriving their Collection Departments of a revenue because in 50% of the cases, the claim is not given to the Local Collection Department. Therefore, we recommend the discontinuing of this service from the National Office, and in lieu thereof furnishing Local Associations with the necessary blanks and system for locating missing debtors from their own office. This would relieve the National Office of much detail work and place in the hands of each Local the means for locating debtors from their community, without the necessity of reference to the National Office; yet always under the advice and with the assistance of our National Service Department.

Our Pay Promptly Educational Work

With a knowledge of the results of our Pay Promptly Campaigns of the past few years, which had been confined to intensive publicity during one week or ten days, and to independent campaigns conducted by several Locals, affecting only their community, our Board of Directors accepted our suggestion in last year's report, and authorized an "All year round Pay Promptly Publicity Campaign."

President Meyer appointed Second Vice-President Milton J. Solon of Minneapolis as Chairman of a Committee to outline the details and create material for this work. A series of newspaper advertisements were prepared and printed in what is known as our "Ad Folio." Mats of each advertisement were made and sold to our membership at cost.

The advertisements were uniform as regards reading matter, but each had a space for insertion of the name of the Credit Organization in the city in which they appeared. Up to the closing of our fiscal year, 94 Local Associations had ordered one or more of these mats, and it is estimated that our Pay Prompt message reached ten million persons, taking into consideration the circulation of the newspapers in which they appeared.

Mr. Solon and his Committee are to be congratulated upon their work and the success so far accom-

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Annual Report of D. J. Woodlock, Manager-Treasurer

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plished. We recommend continuing this feature, but suggest relieving the Committee of the detail work in connection with the sending out of the mats, etc., having this done at National Headquarters.

Our Better Letter Service

Because of the hundreds of requests from members in all sections of the country for samples of collection and sales letters, we created our Better Letter Service, and arranged with an expert in this work to issue a monthly series of letters and advice on effective correspondence. Three hundred members subscribed to this service, and the proof of its merit lies in the fact that 90% have, during the past month, renewed their subscription.

The service consists of a series of instructions as to letter writing—appeal—English—form—pulling power, etc., with sample letters covering collections—sales building—reviving old accounts; all seasonable, new, and up to the minute.

One of the most distressing features to contend with in writing Credit Department letters is when handling a large volume of business the forms are likely to become "stale," or commonplace, and this service is designed to relieve this situation by a constant change in the appeal.

The Credit World

The publication of the Credit World is the largest item of expense in our budget, and our Board of Directors sought a means of securing advertising so as to reduce its cost. Five propositions from printers were considered, and the publication awarded to the General Printing Company, who expect, through their advertising agents in the large cities, to secure a sufficient amount of advertising to practically make the magazine self-sustaining. This firm took over the work on January 1, and have published five issues, making a decided improvement in appearance and make-up; but, owing to the fact that most advertising appropriations are made in November and December, were unable to secure the expected contracts. We, however, feel with our increasing circulation and the great improvement in the magazine, a worth-while revenue from advertising will come within the next six months.

We are giving our best efforts toward making the Credit World a magazine of which every member can be proud, and which brings to each the thoughts of the outstanding Credit Grantors and Business Men of the country. Many Universities and Libraries have requested to be placed on our mailing list.

We aim to increase the number of pages of the Credit World as we increase our membership and advertising revenue.

It has been a source of great satisfaction to us, who have been in touch with our Association's activities for years, to observe the growth of our publication from a pamphlet to a magazine; the only recognized exclusive Retail Credit medium now published, and the contents of its pages reprinted in many business publications.

Legal

Our Counsel, Hon. Lawrence McDaniel, was called upon 98 times during the year, to advise members regarding legal matters, most of the cases having to do with the question of liability of Credit Bureaus in giving information regarding the paying habits of individuals.

Finance Committee

This year's Finance Committee, made up of Mr. George A. Lawo, Memphis, Chairman; Mr. John Connolly, New York, and Franklin Blackstone, Pittsburgh, met at the National Office in September and arranged the Budget upon which we operated this year.

Executive Committee

Upon the call of President Meyer, the Executive Committee met at the National Office three weeks after our Convention and laid plans for this year's activities. The Committee consisted of President Meyer, Vice-President Hewitt, Vice-President Solon, Directors Karpeles, Parker, Willis, and Manager-Treasurer Woodlock. The Financing and Service Department Committees also attended this meeting.

Research and Statistical Work

President Meyer, following his idea of developing a Statistical and Research Department and securing accurate information, appointed Mr. Elmer B. Schick, Credit Manager of the Crowley Milner Company, Detroit, as Chairman of our Research and Statistical Committee. This Committee immediately arranged with the University of Michigan for an intensive survey of credit extension. A questionnaire was prepared and issued to all members, returnable to the University of Michigan. The results of this effort, and the findings of the University will be brought out in this Convention.

We feel, however, we should express to Mr. E. B. Schick and his associates on the Committee, as well as to Professor Carl M. Schmalz of the University of Michigan, our sincere appreciation of their efforts to obtain accurate and dependable statistics for the guidance of Retail Credit Grantors. To Mr. Schick we feel we owe an exceptional debt of gratitude, because

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Annual Report of D. J. Woodlock, Manager-Treasurer

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of his devoting his spare time and leisure moments toward this work, which will eventually furnish us with facts and figures no man can dispute, and place us in position to absolutely standardize Retail Credit extension.

Educational Activities

President Meyer's ambition was to promote, during his administration, a great amount of educational activities, and he created a Class Study Educational Committee, appointing Mr. J. H. Edgerton of New York as Chairman.

Mr. Edgerton and his Committee devoted a large part of their time to preparing a class study and a system of developing credit classes in each Local, which would use these prepared studies as a basis for educational work.

To our mind this is a feature which should have our most sincere support, because it means not alone improving the efficiency of our present members, but by education of the assistants, bring to us a corps of trained credit managers for the future.

This work covers every angle of Retail Credit Granting, from the application for account to the collection of same, and suggestions for reviving old accounts, securing new customers, etc.

This feature received the enthusiastic endorsement of our Association, and we feel will become a recognized service of our Association.

We recommend its development and express our appreciation and approval of the work of Mr. J. H. Edgerton and his Committee.

Change in Name

The change in the name of our Association met with universal approval and many Local units have followed our lead, removing the word "men" from their official title.

Our Activities in Washington

Our Executive Committee, feeling we should at all times be in close touch with legislative and other activities at the Nation's Capital, and cooperate in every way with the U. S. Department of Foreign and Domestic Commerce, approved the selection of Mr. R. Preston Shealey, an attorney in Washington, as our representative in the Capital. As a result, your Manager-Treasurer has been kept in constant touch with every Bill presented to Congress, their merits or faults, and their progress in Congress.

At our request, Honorable L. C. Dyer, Congressman from Missouri, introduced House Bill 8322, known as the Federal Employees Garnishment Bill. A hearing was held on February 17, but intensive opposition from a number of Government departments de-

veloped, and the bill was never reported out of Committee. It is our intention to keep working on this bill and present it again to the next Congress.

At our request Mr. Shealey took up the question of addresses on return registered mail receipts, with the Post Office Department, and found it required an Act of Congress to provide this feature. Our program calls for a bill being presented at the short session of the 71st Congress.

We have prepared a number of amendments to the Bankruptcy Act, which will also be presented to the next session of Congress.

Our officers were brought in very close contact with government officials and the work of our Association explained to President Coolidge, Secretary Hoover, and Doctor Julius Klein of the Department of Commerce, and many Senators and Representatives. Mr. Hoover, over his signature, endorsed our Pay Promptly Publicity Campaign. Doctor Klein endorsed our work in a radio talk, broadcast nationally, and President Coolidge personally assured our Vice-President, Mr. J. R. Hewitt, he regarded our Credit Survey as a great service to the merchants. This is the first time our Association has come prominently to the attention of the government officials.

Last August, Mr. A. B. Sanders, Assistant to your Manager-Treasurer, in arranging for research work with several State Universities, came in contact with Doctor Frank M. Surface of the United States Department of Foreign and Domestic Commerce, and discussed the value of accurate statistics regarding Retail Credit extension. Doctor Surface was intensely interested, and your Manager-Treasurer and Mr. Sanders visited the Department of Commerce on the way to our Providence Convention, and from this contact came the thought of a nation-wide survey by the Department of Commerce, with our Association co-operating.

Secretary of Commerce Hoover and Doctor Julius Klein, Director of the Bureau of Foreign and Domestic Commerce, approved the idea, and provided an appropriation in the Budget submitted to Congress when it met last fall. A Committee from our Association appeared before the Director of the Budget, the Senate Committee, and the House Committee, urging this appropriation. Later a Committee appointed by President Meyer met with officials of the Department of Commerce and drafted the questionnaire to be used in the survey.

Actual work on the survey got under way June 1. We feel this is one of the outstanding features of this year's activities, and if nothing else had been done, it alone would be an accomplishment, entitling this

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Annual Report of Guy H. Hulse, Secretary

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Oklahoma—Oklahoma Secretaries, Norman, Okla., Sept. 26th-27th, 1927.

Ohio—Associated Credit Bureaus, Columbus, Ohio, September 28th-29th, 1927.

Missouri—Missouri Bureau Managers, Kirksville, Mo., October 7th, 1927.

Kansas—Associated Credit Bureaus, Topeka, Kansas, October 17th, 1927.

Nebraska—Associated Credit Bureaus, Lincoln, Nebr., October 28th, 1927.

Pennsylvania—Pennsylvania Bureau Managers, Pittsburgh, Pa., November 14th, 1927.

New York—New York Bureau Managers, Schenectady, N. Y., November 15th, 1927.

Idaho—Retail Credit Bureau Managers, Boise, Idaho, December 5, 1927.

California—Associated Credit Bureaus, Los Angeles, Calif., January, 1928.

Colorado-Wyoming—Associated Credit Bureaus, Denver, Colorado, January 16th-17th, 1928.

Maine—Maine Bureau Managers, Lewiston, Maine, February 8th, 1928.

New York—Credit Bureau Managers, Syracuse, New York, February 13th-14th, 1928.

Kansas—Associated Credit Bureaus, Pittsburgh, Kansas, April 16th-17th, 1928.

Florida—Bureau Managers and Credit Executives, Orlando, Florida, April 23rd-24th, 1928.

Ohio—Associated Credit Bureaus, Dayton, Ohio, May 7th-8th, 1928.

New York—Credit Bureau Managers, Rochester, New York, May 8th, 1928.

Iowa—Iowa Retail Secretaries, Des Moines, Iowa, May 10th-11th, 1928.

Washington—Northwest Conference Retail Credit Men, Tacoma, Wash., May 14th-15th, 1928.

Pennsylvania—Associated Credit Bureaus, New Castle, Pa., May 15th-16th, 1928.

Oklahoma—Associated Credit Bureaus, Enid, Oklahoma, May 16th-17th, 1928.

Texas—Retail Merchants Association, Wichita Falls, Texas, May 21st, 22nd, 23rd, 1928.

Michigan—Associated Credit Bureaus, Mount Clemens, Mich., May 28th-29th, 1928.

Virginia—Associated Credit Bureaus, Alexandria, Va., June 6th-7th, 1928.

Most of these Conferences were attended by either the Manager, Treasurer or the Secretary of this Association.

Coverage

In order to serve American business properly, the 981 member bureaus of the Service Department, are serving approximately 8,000 towns and cities. In the files of these bureaus are more than 60,000,000 master cards charting the current and antecedent information on as many citizens.

We now have 14 member bureaus in the Dominion of Canada, 1 in Alaska, 1 in England, 1 in Holland and 1 in Hungary. In fact, our London member, the International Association for Promotion and Protection of Trade, Ltd., has a net work of branches throughout England. These branches are of course, used in serving our members who may require reports from that country.

Collections

There were as of April 30, 1928, 557 member bureaus operating Collection Departments. These Collection Departments serve approximately 4,000 towns and cities. These figures plainly show the splendid possibilities that await us in this field of service. It would be my recommendation that a department be established in the offices of the National Association for the purpose of supervising and systematizing the work of the Collection Departments of these 557 bureaus. A separate Roster should be issued and all reliable Collection Agencies and Attorneys in unaffiliated and unorganized towns could and should be invited to membership. Each office listed in this Roster should be bonded, thereby assuring honest, dependable service. It should also be the duty of this Department to standardize as far as possible the rates on the business that would flow over this list.

'M' and 'T' Ticket

In order to facilitate the interchange of credit information, bureau to bureau, certain coupons known as the 'M' and 'T' ticket were devised. The 'M' ticket is padded in books of ten which are sold to member bureaus at \$6.50 per book. Each ticket is redeemable at 60c each, thereby giving the National a spread of 5c on each ticket. The 'T' tickets are also padded in books of ten and sell for \$3.50 per book, and are redeemable at 30c each, this allowing the same spread as the 'M' ticket.

The 'M' ticket should accompany each request where a standard commercial report is desired. The 'T' ticket is used for three reference clearances only. These tickets are for the use of Bureaus and are not to be sold or given to members for their use in procuring information.

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Annual Report of Guy H. Hulse, Secretary

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The records show that for the year ending June 30, 1927, 152,810 'M' tickets and 18,320 'T' tickets were sold. For the ten months ending April 30, 1928, 176,760 'M' tickets and 39,910 'T' tickets were sold. This increase in the sale of these tickets indicates that Bureaus are being educated more and more to the fallacy of reciprocal reports. We are realizing that we cannot be critical of the information that is given us, but that we can demand real service when we pay for it.

Michigan is the latest state to adopt a strictly pre-paid basis. This action was taken at their Conference held in Mount Clemens, May 28th-29th and goes into effect on and after July 1st, 1928.

Membership Sign

A great many complimentary letters have been received regarding the membership sign recently ordered delivered to each member bureau. The following excerpt from a letter just received is indicative of the Bureau Managers appreciation for these signs:

"We are very proud indeed of the new sign received in the morning's mail. This adds one more proof in evidence, that the officers of the National are constantly working for the improvement of the service, however, we are taking the liberty of offering friendly criticism below.

First: On this sign approximately where the Equitable Building is located in St. Louis, there should have appeared a DOT as large as a DOLLAR. The National is entitled to all the prominence possible to give it; these thoughtful little (though they appear) things, should endear the National to every Bureau and Bureau Manager, and should also be a source of pride to every employee of any Bureau. The National is entirely too retiring; every prominence obtained by the National, adds just that much more prestige to the service as a whole.

Second: These membership signs should be held by merit, and when any member falls below a certain percentage in service, they should be required to take down their membership sign, until they can re-qualify. Put them on their toes, and it is thought that this will be an added inducement for improvement of service."

Roster

The Roster in its new form has also come in for its share of approbation. The additional coverage given by the new system of listing cannot help but facilitate credit reporting service.

Tracing and Collection Departments

We have for sometime been operating a Tracing and Collection Department in the National office. However, less than 5% of our memership have availed themselves of this service, approximately 50% of the business of this department coming from one firm. This Department has not only been operated at a loss during the past ten months, but it brings the National office into direct competition with its member bureaus. Furthermore, the operation of this department tends to dissipate the energies and reduce the usefulness of the Association. It should be eliminated and the time and effort expended in its operation should be directed into more useful and constructive channels.

It seems too, and largely for the same reasons, that the so-called "4 Point System" should be eliminated and I so recommend.

Field Work

The Secretary of this Association has during the past ten months traveled 17,230 miles, through 21 states. He has spoken before a combined audience of 7220 business men and women in 98 towns and cities. He has visited 27 towns and cities where meetings were not scheduled. In all he has been on the road during seven of the past ten months.

The Chairman of the Service Department Committee has traveled several thousand miles and addressed meetings in many towns and cities in the interest of the bureaus of the country.

Finance Reporting

Educational work was done and improvements were made during the past ten months wholly in the interest of a better and more uniform credit reporting service. A service which will eventually earn for our bureaus the bulk of the National Reporting business, such as Finance, Insurance and Mortgage Loan reporting. We have every facility for the successful handling of this business.

In my judgment we will never command this business until we have established at least twelve regional or District offices in as many parts of the country. The duties of these District Managers will be first, to build up a complete net work of reporting agencies or representatives in every town and hamlet in his territory and to regulate and direct the flow of business into the proper hands for prompt and accurate service. His second duty shall be to keep constantly in touch with the users of National Reports in his territory selling them the services of our Bureaus, both from the standpoint of Credit Reports and Collections.

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Annual Report of Guy H. Hulse, Secretary

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Finances

Workable machinery is comparatively easy to set up, but the financing of that machinery is quite a different matter. We need increased finances for this Association and we need them soon. The longer we delay in this matter the more difficult will it become to secure this National business. I most heartily recommend that the machinery above outlined be set in motion at the earliest possible date.

No stone has been left unturned during the past year to sell the Finance Companies on the service of our member bureaus. In October, 1927 Messrs. D. J. Woodlock, Stephen H. Talkes, A. B. Sanders and Guy H. Hulse were in Chicago consulting with the officers of the National Association of Finance Companies. On November 14th, Manager-Treasurer Woodlock addressed the Annual Convention of the National Association of Finance Companies in Chicago. Mr. F. E. Parker, Vice-President and General Manager of the Merchants Credit Bureau, Detroit, Michigan was in attendance at this meeting, as was Mr. A. B. Sanders of the National office.

As a result of this meeting, the Finance Companies appointed a Committee to meet with a Committee from our organization. This meeting was held in Chicago in January, 1928. Mr. Woodlock and Mr. Sanders represented this Association at that meeting.

Recently an agreement was entered into by and between the National Association and a large user of National reports covering the use of at least \$100,000 worth of reports. This business was secured through the efforts of Mr. Wm. H. Gray, Secretary of the Cleveland Retail Credit Men's Company, Cleveland, Ohio. Mr. A. B. Sanders represented the National Association at this Conference.

During the past year an automobile manufacturer has used several thousand dollars worth of floor plan car check tickets. They report that the service received has been very satisfactory.

Since this new field of service is gradually opening before us a careful, far-sighted and intelligent management of the affairs of the Service Department of this Association is imperative.

Education

I cannot finish this report without making due reference to the splendid contribution which was made during this administration to the educational facilities of the National Association, through the splendid and constructive work accomplished by Mr. Justin H. Ederton and his Educational Committee. It seems to me that a great deal of good would accrue if this

Educational Course were introduced into the Colleges and Universities of the country as a basis of study on Credits and Collections in the Departments of Business Administration. The business interests of this country owe a debt of gratitude to this administration for the far-sighted policy which has been pursued during the past ten months in connection with educational work.

Advertising

An equally splendid work was also accomplished by Mr. Milton J. Solon and his Committee in connection with the "Pay Your Bills Promptly" Campaign "Ad-Folio." The far reaching effects of these advertisements appearing as they have in most of the leading daily newspapers throughout the country, can not be estimated. Without doubt they have been the basis in most of these communities for the establishing of a community credit policy. Thousands of people have been brought face to face with their responsibilities and the sacredness of their contractual obligations.

Statistical Work

The statistical work which has been launched during this administration under the Chairmanship of Mr. Elmer Schick, will have a far reaching effect in the stabilizing and systematizing of credit department methods and procedure. One of the things that has been especially regrettable in the past is that there were no reliable figures on which Credit Executives could base their judgment. The fact that the Department of Commerce has, under the direct supervision of Dr. Julius F. Klein, undertaken this survey, is a guarantee in itself that the facts and figures developed through this survey will be comprehensive and accurate.

Credit Literature

Mr. Frank Batty and his Committee on Credit Literature has done an especially commendable piece of work in connection with the analysis of certain literature. The book reviews which have been appearing in the Credit World from month to month, have been unusually well written and they have contained a wealth of valuable information.

Credit Co-operation

The Committee on Credit Co-operation under the Chairmanship of J. R. Hewitt, has during the past year been very active in cementing a closer relationship between the National Association of Credit Men (wholesale) and the National Retail Credit Association (retail).

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What is Super-Centralized Service?

(Continued from page 11)

field and office personnel under the immediate supervision of the manager. His duties vary according to the size of his staff and the responsibilities assumed by his superior. The manager should give all directions to his employees through the assistant manager. The assistant, in turn, will direct and supervise the activities of the unit heads. He is directly responsible for carrying out the co-ordination of activities between his staff of unit supervisors. He must have sufficient knowledge of all form of office procedure to be able to judge the ability of each member of his staff. He must be able to inspire, in his associates, a desire for constant improvement and enthusiasm without arousing antagonism. He should be conscientious, diplomatic, firm, honest, and of a pleasing personality. (These requirements will apply to manager also.)

The unit supervisors are the driving power of the institution and its productive strength. Each unit head's personnel consists of a file clerk, a stenographer, a telephone worker and field collectors. His value is measured by his ability to liquidate the accounts that come under his supervision. He must maintain office discipline and be responsible for the efficiency of his group. A knowledge of business law is required, capability in handling his outside collectors and composing letters that produce results.

The legal staff is under the direct supervision of the manager and his assistant. The work requires a legal stenographer, it is of a technical make-up and usually is supervised by the attorney in charge.

The office personnel includes stenographers, file clerks, telephone workers and field collectors. All work performed by members of this group is routine and can be standardized. It is among this group of workers that wasteful methods are most prevalent and most difficult to detect. The unit supervisor, who knows his business, can quickly locate this trouble.

The bookkeeping department is composed of an accountant and his assistant, being under the supervision of the assistant manager.

The department of research and publicity is a new unit and has not as yet been developed to its maximum degree of service. However, we have discontinued the practice of personal solicitation by salesmen for business and, in its place, have substituted the written salesmanship. The supervisor of this department spends part time outside and keeps up the necessary

contact between member and association and arranges group discussions.

It will not be possible at this time to cover the selection and training of employees, equipment and supplies, case records, record filing and forms, value of research and publicity, etc.

By supplementing to this article the experiences, ideas and support of other successful bureaus, a work may be compiled and set up in text by our national, as a guide for instruction and the economical administration of our future bureaus.

Our problem, from its inception, has been a process of developing the "we feeling" rather than the "I feeling" in association and the gradual realization that if we are to work harmoniously and efficiently together, we must be prepared to break bread together.

Due Dates of Time Payments Need Not Be Missed

(Continued from page 12)

A small tan signal is placed in the margin over the month when the insurance on the car owned by the borrower expires, and the car owner is promptly directed to extend his insurance.

An alphabetical file of names of customers and their due dates is kept for reference when the due date is not known. This company reports, however, that so few borrowers forget their date of payment that the alphabetical file is seldom used.

The writer wonders how his friend the credit manager could have overlooked so simple and so efficient a system. One clerk is placed in charge, one person is responsible for all the due payments. There can be no slip-up because the signalling plan makes conditions so visible and because its operation becomes so much a matter of habit.

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All states that have adopted a large Dictionary as standard have selected Webster's New International.

The Schoolbooks of the Country adhere to the Merriam-Webster system of dia-critical marks.

The Government Printing Office at Washington uses it as authority.

**G. & C. Merriam Co.,
Springfield, Mass.**

"Get the Best"



Annual Report of D. J. Woodlock, Manager-Treasurer

(Continued from page 25)

administration to your appreciation and the National Retail Credit Association to the support of every retail merchant. And we urge every member of our Association to cooperate with the Department of Commerce of the United States by promptly, accurately and completely answering the questionnaire when received.

We take this opportunity to express to Doctor Julius Klein and Doctor Frank M. Surface our appreciation for the time and effort put forth in providing for this survey and the earnestness with which they cooperated and worked with our officers and committees. It shows a desire on the part of these government officials to render a really worth-while service to the retail business interests of the country.

We also thank the following members of our Association, who served on the committee cooperating with the Government:

Vice-President J. R. Hewitt, The Hub, Baltimore, Md.
R. Preston Shealey, Colorado Building, Washington,
D. C.

Vice-President M. J. Solon, The Dayton Company,
Minneapolis.

S. H. Talkes, Associated Retail Credit Men, Washington, D. C.

Frank Batty, H. Liebes & Company, San Francisco,
Calif.

O. H. Berry, J. S. Hall's Sons, Knoxville, Tenn.

G. A. Lawo, The John Gerber Co., Memphis, Tenn.

E. B. Schick, Crowley Milner Company, Detroit, Mich.

G. C. Driver, The May Co., Cleveland, Ohio.

H. C. Sparks, Cincinnati Morris Plan Bank, Cincinnati, Ohio.

Mark Lansburgh, Lansburgh & Bro., Washington,
D. C.

J. H. Edgerton, James McCreery & Co., New York,
N. Y.

J. M. Connolly, Associated Retail Credit Men, New
York, N. Y.

W. A. Clarke, Jr., Retail Merchants Association, Rich-
mond, Va.

Max Fisher, Woodward & Lothrop, Washington,
D. C.

A. B. Sanders, National Retail Credit Association, St.
Louis, Mo.

Summing Up

The year just closed has been a most satisfactory one, both from the viewpoint of growth and service. Never in our history has there been such complete harmony of purpose and unity of action, such perfect understanding of our objectives and desire to accomplish them.

The wisdom of the centralization of responsibility plan, put into effect at our last Convention, is apparent, and with the foundation of real constructive service laid this year, we can progress as never before. Business men of vision and intelligence recognize in our organization an indispensable factor for the promotion of Sound Credit, a necessity for the Retailer, and a stabilizer of the Nation's Finances.

President L. L. Meyer and Vice-Presidents J. R. Hewitt and Milton J. Solon, as well as our entire Board of Directors, demonstrated they did not regard their official positions as honorary, and gave unstintingly of their time and talents to make this administration successful.

Respectfully submitted,

D. J. WOODLOCK

Annual Report of Guy H. Hulse, Secretary

(Continued from page 28)

Special mention should be made of the fine spirit of co-operation that exists as evidenced by the splendidly attended joint meetings of local wholesale and retail associations held in all parts of the country.

Service Department

Whatever success the Service Department may have enjoyed during the past year is largely due to the untiring efforts of the Service Department Committee under the Chairmanship of Mr. Stephen H. Talkes.

It is true that this Committee has functioned under a handicap in that it did not have Rules and Regulations to chart its course of action. This fact has placed an added and unnecessary burden or responsibility on this Committee. It is hoped that this fault will be remedied at this Convention.

In conclusion, I want to thank the officers, the directors and the general membership for their splendid co-operation and support during the past fiscal year.

Flashes

From the National Office

CLEVELAND BUREAU MOVES

The Cleveland Retail Credit Men's Company will move on July 1st to the National City Bank Building, Euclid Avenue and E. Sixth street, where it will occupy 5,000 square feet of light, airy space for the present, with reservation of additional space which later will house the legal departments of the Collection Division and of the Retail Merchants' Board.

This move will locate the bureau in the heart of the retail district, in a central location that will make possible increased service and the inauguration of new features. For

example, most interchange work now is done by telephone, with an average of 600 calls being handled a day. This move will permit approximately 50 per cent of this traffic to be handled by messenger, relieving the switchboard of this burden and speeding up and increasing telephone service.

The new location also will give adequate space for the Collection Department, whose rapid growth during the past two years has resulted in its being cramped in space that originally was ample for its needs.

This growth has typified the entire organization, so that today the Cleveland office probably is the largest in the country, numbers 1,500 members and employing 80 people on its payroll—a number which is certain to increase, due to the rapid development of both Reporting and Collection Divisions.

The new quarters will be furnished with the most up-to-date equipment available and will present an appearance that all members can be proud to show. Among

other new features will be a large, well-furnished conference room, where credit people may spend a portion of their noon hour in discussion or recreation.

MONTGOMERY WARD TO OPEN 1500 RETAIL STORES

According to information which we received a short time ago, the above concern is planning an extensive program for opening retail stores throughout the United States.

According to the statement made by George B. Everitt, president of the company, there are 1,500 towns with a population of over 5,000 in the United States, and the company plans to establish stores in these communities as rapidly as suitable locations can be obtained.

Your Collections

...in...

Detroit

Will receive the best attention possible if sent to

The Merchants Credit Bureau, Inc.

The largest collection department in the city devoted exclusively to RETAIL ACCOUNTS.

The benefits accruing in placing your accounts with an organization owned by the merchants, for their protection, are self-evident.

Rates Reasonable
Safety Assured

Address:
MERCHANTS BLDG.
206 E. Grand River Avenue

CLEVELAND
moves to
New and Larger Offices
500 - 514
**NATIONAL CITY BANK
BUILDING**
Euclid Avenue at Sixth

Your Collections Solicited

New equipment and larger quarters demanded by rapid growth. The Cleveland Association is now the largest unit within the National Retail Credit Association. It is a merchant owned cooperative reporting and collection service.

For Credit Reports Collections

Address

**The CLEVELAND RETAIL
CREDIT MEN'S CO.**
500-14 National City Bank Bldg.
Euclid Avenue at Sixth
CLEVELAND, OHIO



Blaisdell
FINEST COLORED PENCILS
THICK OR THIN LEADS
PHILA. U.S.A.

Of What Good are Regional Conferences?

(Continued from page 13)

the commercial law a credit man should know; new or corrective legislation needed; a discussion of a Community Credit Policy—and a general open forum on any topic in the mind of any delegate as well as group conferences.

Yes, I'm sure the individual who attends such a conference gets a lot out of it. I notice yearly progress in maturity. Whereas a few years back these conference subjects were rather elementary, dealing with the mechanics of credit granting, etc., now the discussions are generally more along the line of economics involved, the principles of credit, etc.

EFFECT ON LOCAL ORGANIZATION

Here, again, progress is apparent. I know of no conference district wherein the individual local associations have not increased in numerical strength and in community usefulness. The members become a more closely knit organization with greater community of interest. They broke down reserve and learn to work together. With the loss of reserve and personal formality, comes mutual interest and confidence. As weaknesses appear there develops intelligent and courageous attack thereon. Collection percentages gradually grow. Definite credit policies appear where there were no policies at all.

EFFECT ON THE NATIONAL RETAIL CREDIT ASSOCIATION

Generally the districts holding these annual regional conferences are the strongholds of our National membership. It is written them that National membership grows fastest. From them we find trained leaders that guide our National to progress year after year.

Some eight years ago, when the first Pacific Northwest Conference was held, the National Association offices were so alarmed lest an organization be formed that would secede from the National or otherwise imperil it, that they sent the National Association officer 1,800 miles to attend, in order that he might prevent formation of such an organization. There was an organization perfected, with one of its objects the perpetuation and development of the National, and in large measure this regional organization is responsible for the fact that almost every local association in this district is 100% National now. I have long said—and I reiterate—if we had an annual conference in every state or in every convenient group of states, then our National need worry little about its membership problem, or its leadership, or about its activities.

I feel sure the credit men who can enjoy and profit from the annual state or regional conferences, all join me in urging the organization of as many new conference districts as may be needed.

I have presented no negative argument. The topic is "of what good"—and nothing is asked about "of what evil," anyhow there is no evil unless it is introduced there by some trifling, worthless, brainless fool who attends in order to be a fool rather than to be about his own, his firm's, and his community's business.

BE IT RESOLVED

That the Eighth Annual Conference of Retail Credit Men's Associations of Pacific Northwest go on record as supporting the Dyer resolution as introduced in committee which provides for attachment of wages of Government employees.

Classified Column

FOR SALE

Credit Reporting Bureau, with about 110 members and general collection business combined. Located in a Western City on the Pacific Coast of about 12,000 population, with about 16,000 in immediate vicinity. Is the County Seat and paper mills is the main industry.

No competition and doing about an average business of \$15,000 a year. Have excellent organization, but have other business connections which forces me to sell.

Unless you have the cash and mean business, please do not answer, for this is a real opportunity.

Address replies to Box Z, 606 Equitable Building, St. Louis, Mo.

WANTED

Position Wanted: A credit man of 14 years' wide experience in handling credits in large amounts and giving personal attention to collections for a large New England house of national reputation, desires to make a change for a similar position with a reputable house anywhere in New England. References exchanged, salary to be named on communication. Address inquiries to Portland Credit Men's Association, 534 Congress Street, Portland, Maine.

Manager successful merchant-owned reporting and collection bureau two years town twelve thousand wants position in California after July first. Age thirty-one married. Next previous employment secretary-bookkeeper quarter million (sales) hardware firm, five years. Will consider any connection with permanence and future. Box CW-61.

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